Y4.Ap6/1:D36/5/983/pt.10

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 1983

ORIGINAL
COMPLETED

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-SEVENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF DEFENSE

JOSEPH P. ADDABBO, New York, *Chairman*

BILL CHAPPELL, Florida
JOHN P. MURTHA, Pennsylvania
NORMAN D. DICKS, Washington
CHARLES WILSON, Texas
W. G. (BILL) HEFNER, North Carolina
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PART 10

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

Printed for the use of the Committee on Appropriations

Y4.Ap6/1:D36/5/983/pt.10

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Printed for the use of the Committee on Appropriations

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WASHINGTON : 1982

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 1983

TUESDAY, AUGUST 10, 1982.

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

E2C AIRCRAFT FOR U.S. NAVY SURVEILLANCE OF DRUG TRAFFICKERS

WITNESS

HON. LEO C. ZEFERETTI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

INTRODUCTION

Mr. ADDABBO. The committee will come to order. Today I wish to welcome the Members of Congress and other public witnesses. In view of the scheduling problems, we can only schedule two days for public testimony.

We have approximately seventy witnesses who have requested to testify before this committee. This is about twice the number of people and organizations who have testified in previous years.

Unfortunately, with this large number of people, we can only allocate 10 minutes per witness. We will have to move along. Your entire statements will be placed in the record as if read and will be published. Each member has a copy of every statement.

We ask that each witness briefly summarize his testimony.

Ladies and gentlemen, the full committee and subcommittee members cannot be here. Each of us have other committee assignments. Many of those committees are in markup.

I will be leaving shortly. My Treasury, Post Office Committee has a markup. Various members will be chairing the committee hearings.

The fact the other members are not here does not mean any lack of interest. All your statements, as I said, are here and have been read and will be fully studied by the members and the staff prior to our markup which we expect will come sometime in September.

All your statements will be given very careful consideration.

It is with a great sense of pride and privilege I welcome my esteemed colleague from New York. As we say in the Congress, once you have Addabbo and Zeferetti, you have the entire Congress, from A to Z.

I wish to take this opportunity to commend the gentleman from New York, Mr. Zeferetti, Chairman of the Select Committee on Narcotics for the wonderful work his committee has been doing in

spotlighting the problem of drugs and, more important, looking at and finding solutions to it.

The gentleman from New York.

STATEMENT BY HON. LEO C. ZEFERETTI

Mr. ZEFERETTI. Thank you, Mr. Chairman. Thank you for putting my entire statement into your record. I will summarize as best I can.

Mr. Chairman, members of the subcommittee, I appreciate the opportunity to appear before you today to propose for your consideration the appropriating of additional resources to the United States Navy to continue its vitally needed support of law enforcement agencies engaged in the interdiction of drug traffickers and other criminal violators attempting to gain illegal entry into the United States.

Also, Mr. Chairman, I wish to comment on the fiscal year 1983 funding levels by the military services for their narcotics abuse and control programs.

I will summarize my statement and ask the full text be included in the record.

ILLEGAL DRUG TRAFFICKING

I need not overemphasize the impact that illegal drug trafficking and drug abuse are having upon all segments of our society. The illegal market is estimated to be $90 billion a year and includes the smuggling of approximately five tons of heroin, 15,000 tons of marihuana, and 48 tons of cocaine, annually into the United States.

The law enforcement agencies which protect our borders, the Customs Service and the Coast Guard do not have sufficient assets to stop this invasion of our shores. Fortunately, the U.S. Navy which was not restricted by posse comitatus came forward to assist in this battle.

E2C SURVEILLANCE BY U.S. NAVY

In October of 1981, the United States Navy provided E2C surveillance and tracking aircraft to support the Customs Service in a joint project called Operation Thunderbolt off the coast of South Florida. The operation lasted approximately three months and was conducted to determine its effectiveness, principally against the smuggling of illegal drugs into the United States by air.

The operation was begun unpublicized and was highly successful until the details of the operation unfortunately appeared in the press and the traffickers stopped.

I submit for the record a list of the seizures based on information provided by the Customs Service. This includes the seizure of 45 aircraft and illegal drugs totaling $360 million in street value.

The E2C pilots and aircraft involved in the operation were drawn from a fleet operating squadron which was in the United States for training.

In view of the high success of Operation Thunderbolt, the use of E2Cs has continued and is a vital part of the operation now being

conducted as part of the Vice President's Task Force in South Florida.

The E2C presents such a threat that the drug traffickers are avoiding the vast patrolled areas and are either laying low or diverting to less patrolled areas of our coast.

Mr. Chairman, I have objected to such a concentration of assets which makes other areas vulnerable. We cannot now remove these assets from Florida. However, we need a national strategy which means providing additional resources to other areas also critically affected by the influx of illegal drugs. But, more importantly, there must be a priority of awareness that this is a national problem that needs congressional and executive branch attention.

Mr. Chairman, for some time I have had a strong interest in the use of the Navy E2C aircraft for drug interdiction which has an impact on this problem. I was in Florida to meet with Customs and Naval personnel a few days after Operation Thunderbolt began and returned to Florida to assess the use of the E2C in the Vice President's task force.

Without any doubt, this capability is unmatched by any other existing means to detect and track the type of aircraft used in drug smuggling.

I base this conclusion on my discussion with law enforcement, military and contractor personnel who are engaged directly in these operations.

RESOURCES AND MISSION ADDED TO NAVY TRAINING CYCLE

Mr. Chairman, the Navy not only has been absorbing this operational cost but the E2C pilots that I talked to expressed concern that the interruption of their training to perform this mission was affecting their overall readiness.

If this most important capability is to be maintained, the Navy must be provided the resources and the mission must be included in their training cycle.

There are those who claim that this mission impairs our national defense and military readiness. I strongly disagree. This mission serves not only a much needed support for law enforcement agencies, but also, I submit, improves our national defense through a tightening of our borders.

I question why this unchecked intrusion of our borders which has been occurring in South Florida and elsewhere for many years has never been considered as a vulnerability to our national defense.

The countless sorties from low-flying aircraft from the Caribbean which have avoided our radar could have brought terrorists into the United States who could strike us from within at any time. This invasion also includes the ships involved in smuggling the many thousands of tons of marihuana into the United States.

I have discussed my proposal to provide additional resources to the Navy and to include this mission in their training cycle with Vice President Bush, Admiral Daniel Murphy, Deputy Secretary of Defense Frank Carlucci, and with Mr. John Lehman, the Secretary of the Navy.

All agreed that this capability is of extreme value but recognize that the operation cannot be maintained indefinitely unless the Navy gets additional resources. I come before you to urge that sufficient funds be appropriated to maintain this capability.

It is my hope that your subcommittee will consider the acquisition of a limited number of E2C aircraft for the Navy to conduct this mission which, as I previously noted, will further the defense mission by strengthening our borders against intrusion.

Also equally important is the utilization of these aircraft for special missions such as air and sea rescue and massive refugee movements by sea as we experienced with the recent exodus from Haiti, and any other unforeseen emergency.

As you know, about three years are needed to acquire new aircraft. In view of the required long lead funding, any decision to provide additional resources should be made as soon as possible, beginning with fiscal year 1983.

I also urge, Mr. Chairman, that the Navy be appropriated sufficient funds to be compensated for expenditures incurred to date in its current operation and that the Navy be compensated for whatever future expenses are incurred to maintain the operation.

At my request, the General Accounting Office pulled together the cost figures of what the Navy has incurred to date which I also submit for the record.

The Treasury Department did reimburse the Navy for Project Thunderbolt which cost the Navy $796,000.

The Treasury Department cannot, however, reimburse the Navy for the extended costs being incurred by the Navy in the current operation.

Beginning March 15th and through June 30, 1982, the Navy has expended $715,646. The estimated expenses for July 1 to September 30, 1982 are $273,900, which would be the projected expenses for future three month periods of operation.

New legislation has clarified the limitations imposed by posse comitatus to allow the military a greater role in support of law enforcement. This commitment of resources, however, costs money which the law enforcement agencies cannot absorb.

Nor can the military absorb the cost within their own operating budgets.

Simply put, Mr. Chairman, we cannot hope to win the war against drugs without support from the military services and this costs money. We must accept that fact and appropriate what is needed. This fact applies to all the military services who are and will be committing their resources to this battle.

DRUG ABUSE IN THE MILITARY

Mr. Chairman, I know that drug abuse in the military has been an issue of major concern to you, and I wish to comment on the fiscal year 1983 funding level requests of the military services for their drug abuse and control programs.

The widespread use of controlled substances and dangerous drugs by service members raises serious questions relating directly to our national security.

Through your efforts and that of our select committee, Mr. Chairman, the national attention brought to bear upon the military's drug abuse problem has already yielded one important result—a renewed commitment on the part of the Armed Services to recognize and confront the problem.

This increased awareness and commitment is evidenced by the military's allocations and requests for funding to be dedicated to drug abuse prevention and control programming.

For fiscal year 1983 the Services have requested approximately $143 million in substance abuse prevention and control program funding, an increase of approximately 60 percent over the fiscal year 1980 appropriation of $84 million.

Funding for the drug abuse component has increased almost 100 percent from $29 million in 1980 to approximately $57 million in 1983.

I will submit the rest of this in my statement for your evaluation, Mr. Chairman, members of the subcommittee. I strongly hope you will endorse the priorities we are asking for. I think it is not only in the best interests of the people of the United States, but I think of this drug problem and the impact it has on the world. It needs that kind of priority and attention.

[The statement of Mr. Zeferetti follows:]

STATEMENT OF THE

HONORABLE LEO C. ZEFERETTI, CHAIRMAN
OF THE
SELECT COMMITTEE ON NARCOTICS
ABUSE AND CONTROL

BEFORE THE

SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS

AUGUST 10, 1982

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE. I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO PROPOSE FOR YOUR CONSIDERATION THE APPROPRIATING OF ADDITIONAL RESOURCES TO THE UNITED STATES NAVY TO CONTINUE ITS VITALLY NEEDED SUPPORT OF LAW ENFORCEMENT AGENCIES ENGAGED IN THE INTERDICTION OF DRUG TRAFFICKERS AND OTHER CRIMINAL VIOLATORS ATTEMPTING TO GAIN ILLEGAL ENTRY INTO THE UNITED STATES. ALSO MR. CHAIRMAN, I WISH TO COMMENT ON THE FY 1983 FUNDING LEVELS BY THE MILITARY SERVICES FOR THEIR NARCOTICS ABUSE AND CONTROL PROGRAMS.

I NEED NOT OVEREMPHASIZE THE IMPACT THAT ILLEGAL DRUG TRAFFICKING AND DRUG ABUSE ARE HAVING UPON ALL SEGMENTS OF OUR SOCIETY. THE ILLEGAL MARKET IS ESTIMATED TO BE 90 BILLION DOLLARS A YEAR AND INCLUDES THE SMUGGLING OF APPROXIMATELY 5 TONS OF HEROIN, 15,000 TONS OF MARIHUANA, AND 48 TONS OF COCAINE, ANNUALLY INTO THE UNITED STATES. THIS INFLOW IS BY LAND, SEA, AND AIR, WITH COCAINE BEING THE BIGGEST MONEY MAKER, TAKING ABOUT ONE-THIRD OR MORE OF THE ILLEGAL MARKET. THE CUSTOMS SERVICE ESTIMATES THAT 25 TONS OF COCAINE ENTER THE UNITED STATES EACH YEAR BY SMALL AIRCRAFT, COMPRISING 53 PERCENT OF ALL COCAINE SMUGGLED. THE LAW ENFORCEMENT AGENCIES WHICH PROTECT OUR BORDERS, THE CUSTOMS SERVICE, AND THE COAST GUARD, DO NOT HAVE SUFFICIENT ASSETS TO STOP THIS INVASION OF OUR SHORES. FORTUNATELY, THE U.S. NAVY WHICH WAS NOT RESTRICTED BY POSSE COMITATUS CAME FORWARD TO ASSIST IN THIS BATTLE.

IN OCTOBER OF 1981, THE UNITED STATES NAVY PROVIDED E2C SURVEILLANCE AND TRACKING AIRCRAFT TO SUPPORT THE CUSTOMS SERVICE IN A JOINT PROJECT CALLED OPERATION THUNDERBOLT OFF THE COAST OF SOUTH FLORIDA. THE OPERATION LASTED APPROXIMATELY THREE MONTHS AND WAS CONDUCTED TO DETERMINE ITS EFFECTIVENESS PRINCIPALLY AGAINST THE SMUGGLING OF ILLEGAL

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DRUGS INTO THE UNITED STATES BY AIR. THE OPERATION WAS BEGUN UNPUBLICIZED AND WAS HIGHLY SUCCESSFUL UNTIL THE DETAILS OF THE OPERATION UNFORTUNATELY APPEARED IN THE PRESS. I SUBMIT FOR THE RECORD, A LIST OF THE SEIZURES BASED ON INFORMATION PROVIDED BY THE CUSTOMS SERVICE. THIS INCLUDES THE SEIZURE OF 45 AIRCRAFT AND ILLEGAL DRUGS TOTALING $360 MILLION IN STREET VALUE. ALSO 28 PILOTS AND 34 NON-PILOTS WERE ARRESTED, AND 36 ILLEGAL ALIENS WERE TURNED OVER TO THE IMMIGRATION AND NATURALIZATION SERVICE. THE E2C PILOTS AND AIRCRAFT INVOLVED IN THE OPERATION WERE DRAWN FROM A FLEET OPERATING SQUADRON WHICH WAS IN THE UNITED STATES FOR TRAINING.

IN VIEW OF THE HIGH SUCCESS OF OPERATION THUNDERBOLT, THE USE OF E2C'S HAS CONTINUED AND IS A VITAL PART OF THE OPERATION NOW BEING CONDUCTED AS PART OF THE VICE PRESIDENT'S TASK FORCE IN SOUTH FLORIDA. THE E2C PRESENTS SUCH A THREAT THAT THE DRUG TRAFFICKERS ARE AVOIDING THE VAST PATROLLED AREAS AND ARE EITHER LAYING LOW OR DIVERTING TO LESS PATROLLED AREAS OF OUR COAST. MR. CHAIRMAN, I HAVE OBJECTED TO SUCH A CONCENTRATION OF ASSETS WHICH MAKES OTHER AREAS VULNERABLE. WE CANNOT NOW REMOVE THESE ASSETS FROM FLORIDA. HOWEVER, WE NEED A NATIONAL STRATEGY WHICH MEANS PROVIDING ADDITIONAL RESOURCES TO OTHER AREAS ALSO CRITICALLY AFFECTED BY THE INFLUX OF ILLEGAL DRUGS. BUT MORE IMPORTANTLY, THERE MUST BE A PRIORITY OF AWARENESS THAT THIS IS A NATIONAL PROBLEM THAT NEEDS CONGRESSIONAL AND EXECUTIVE BRANCH ATTENTION.

MR. CHAIRMAN, FOR SOME TIME I HAVE HAD A STRONG INTEREST IN THE USE OF THE NAVY E2C AIRCRAFT FOR DRUG INTERDICTION WHICH HAS AN IMPACT ON THIS PROBLEM. I WAS IN FLORIDA TO MEET WITH CUSTOMS AND NAVAL PERSONNEL A FEW DAYS AFTER OPERATION THUNDERBOLT BEGAN AND RETURNED TO FLORIDA TO ASSESS THE USE OF THE E2C IN THE VICE PRESIDENT'S TASK FORCE. WITHOUT ANY DOUBT, THIS CAPABILITY IS UNMATCHED BY ANY OTHER EXISTING MEANS TO DETECT AND TRACK THE TYPE OF AIRCRAFT USED IN DRUG SMUGGLING. I BASE THIS

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CONCLUSION ON MY DISCUSSION WITH LAW ENFORCEMENT, MILITARY AND CONTRACTOR PERSONNEL WHO ARE ENGAGED DIRECTLY IN THESE OPERATIONS. MR. CHAIRMAN, THE NAVY NOT ONLY HAS BEEN ABSORBING THIS OPERATIONAL COST BUT THE E2C PILOTS THAT I TALKED TO EXPRESSED CONCERN THAT THE INTERRUPTION OF THEIR TRAINING TO PERFORM THIS MISSION WAS AFFECTING THEIR OVERALL READINESS. IF THIS MOST IMPORTANT CAPABILITY IS TO BE MAINTAINED, THE NAVY MUST BE PROVIDED THE RESOURCES AND THE MISSION MUST BE INCLUDED IN THEIR TRAINING CYCLE. THERE ARE THOSE WHO CLAIM THAT THIS MISSION IMPAIRS OUR NATIONAL DEFENSE AND MILITARY READINESS. I STRONGLY DISAGREE. THIS MISSION SERVES NOT ONLY A MUCH NEEDED SUPPORT FOR LAW ENFORCEMENT AGENCIES BUT ALSO I SUBMIT IMPROVES OUR NATIONAL DEFENSE THROUGH A TIGHTENING OF OUR BORDERS. I QUESTION WHY THIS UNCHECKED INTRUSION OF OUR BORDERS WHICH HAS BEEN OCCURRING IN SOUTH FLORIDA AND ELSEWHERE FOR MANY YEARS HAS NEVER BEEN CONSIDERED AS A VULNERABILITY TO OUR NATIONAL DEFENSE. THE COUNTLESS SORTIES FROM LOW-FLYING AIRCRAFT FROM THE CARIBBEAN WHICH HAVE AVOIDED OUR RADAR COULD HAVE BROUGHT TERRORISTS INTO THE UNITED STATES WHO COULD STRIKE US FROM WITHIN AT ANY TIME. THIS INVASION ALSO INCLUDES THE SHIPS INVOLVED IN SMUGGLING THE MANY THOUSANDS OF TONS OF MARIHUANA INTO THE UNITED STATES.

I HAVE DISCUSSED MY PROPOSAL TO PROVIDE ADDITIONAL RESOURCES TO THE NAVY AND TO INCLUDE THIS MISSION IN THEIR TRAINING CYCLE WITH VICE PRESIDENT BUSH, ADMIRAL DANIEL MURPHY, DEPUTY SECRETARY OF DEFENSE, MR. FRANK CARLUCCI, AND WITH MR. JOHN LEHMAN, THE SECRETARY OF THE NAVY. ALL AGREED THAT THIS CAPABILITY IS OF EXTREME VALUE BUT RECOGNIZED THAT THE OPERATION CANNOT BE MAINTAINED INDEFINITELY UNLESS THE NAVY GETS ADDITIONAL RESOURCES. I COME BEFORE YOU TO URGE THAT SUFFICIENT FUNDS BE APPROPRIATED TO MAINTAIN THIS CAPABILITY.

IT IS MY HOPE THAT YOUR SUBCOMMITTEE WILL CONSIDER THE ACQUISITION OF A LIMITED NUMBER OF E2C AIRCRAFT FOR THE NAVY TO CONDUCT THIS MISSION WHICH AS I PREVIOUSLY NOTED WILL FURTHER THE DEFENSE MISSION BY STRENGTHENING OUR BORDERS AGAINST INTRUSION. ALSO EQUALLY IMPORTANT IS THE UTILIZATION OF THESE AIRCRAFT FOR SPECIAL MISSIONS SUCH AS AIR AND SEA RESCUE AND MASSIVE REFUGEE MOVEMENTS BY SEA AS WE EXPERIENCED WITH THE RECENT EXODUS FROM HAITI.

AS YOU KNOW, ABOUT THREE YEARS ARE NEEDED TO ACQUIRE NEW AIRCRAFT. IN VIEW OF THE REQUIRED LONG LEAD FUNDING ANY DECISION TO PROVIDE ADDITIONAL RESOURCES SHOULD BE MADE AS SOON AS POSSIBLE, BEGINNING WITH FY 1983.

I ALSO URGE MR. CHAIRMAN, THAT THE NAVY BE APPROPRIATED SUFFICIENT FUNDS TO BE COMPENSATED FOR EXPENDITURES INCURRED TO DATE IN ITS CURRENT OPERATION AND THAT THE NAVY BE COMPENSATED FOR WHATEVER FUTURE EXPENSES ARE INCURRED TO MAINTAIN THE OPERATION. AT MY REQUEST, THE GENERAL ACCOUNTING OFFICE PULLED TOGETHER THE COST FIGURES OF WHAT THE NAVY HAS INCURRED TO DATE WHICH I ALSO SUBMIT FOR THE RECORD. THE TREASURY DEPARTMENT DID REIMBURSE THE NAVY FOR PROJECT THUNDERBOLT WHICH COST THE NAVY $796,000. THE TREASURY DEPARTMENT CANNOT, HOWEVER, REIMBURSE THE NAVY FOR THE EXTENDED COSTS BEING INCURRED BY THE NAVY IN THE CURRENT OPERATION. BEGINNING MARCH 15, AND THROUGH JUNE 30, 1982, THE NAVY HAS EXPENDED $715,646. THE ESTIMATED EXPENSES FOR JULY 1 TO SEPTEMBER 30, 1982 ARE $273,900, WHICH WOULD BE THE PROJECTED EXPENSES FOR FUTURE 3 MONTH PERIODS OF OPERATION.

LEGISLATION ENACTED INTO LAW IN DECEMBER OF LAST YEAR, HAS CLARIFIED THE LIMITATIONS IMPOSED BY POSSE COMITATUS TO ALLOW THE MILITARY A GREATER ROLE IN SUPPORT OF LAW ENFORCEMENT. THIS COMMITMENT OF RESOURCES, HOWEVER, COSTS MONEY WHICH THE LAW ENFORCEMENT AGENCIES CANNOT ABSORB.

NOR CAN THE MILITARY ABSORB THE COST WITHIN THEIR OWN OPERATING BUDGETS. SIMPLY PUT, MR. CHAIRMAN, WE CANNOT HOPE TO WIN THE WAR AGAINST DRUGS WITHOUT SUPPORT FROM THE MILITARY SERVICES AND THIS COSTS MONEY. WE MUST ACCEPT THAT FACT AND APPROPRIATE WHAT IS NEEDED.

MR. CHAIRMAN, I KNOW THAT DRUG ABUSE IN THE MILITARY HAS BEEN AN ISSUE OF MAJOR CONCERN TO YOU, AND I WISH TO COMMENT ON THE FY 1983 FUNDING LEVEL REQUESTS OF THE MILITARY SERVICES FOR THEIR DRUG ABUSE AND CONTROL PROGRAMS. AS YOU KNOW, THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HAS FOLLOWED THIS ISSUE SINCE ITS INCEPTION IN 1976. IN 1978, THE SELECT COMMITTEE CARRIED OUT A SURVEY AND INVESTIGATION OF DRUG USE AMONG U.S. ARMY TROOPS STATIONED IN THE FEDERAL REPUBLIC OF GERMANY. THAT STUDY INDICATED ALARMING LEVELS OF DRUG ABUSE, INCLUDING HIGH INCIDENCE OF HEROIN. IN 1981, THE SELECT COMMITTEE CONDUCTED AN EXPANDED SURVEY OF DRUG ABUSE BY ENLISTED PERSONNEL OF ALL SERVICES STATIONED IN EUROPE. OUR INVESTIGATION REVEALED A DROP IN HEROIN, BUT FOUND THAT OTHER DRUG ABUSE WITHIN THE MILITARY HAS REACHED UNACCEPTABLY HIGH LEVELS. THESE FINDINGS ARE SUPPORTED BY THE IMPORTANT WORK OF YOUR SUBCOMMITTEE IN THE COURSE OF THE LAST YEAR, AS WELL AS BY SURVEYS AND STUDIES CONDUCTED BY THE DEPARTMENT OF DEFENSE AND THE ARMED SERVICES. THE WIDESPREAD USE OF CONTROLLED SUBSTANCES AND DANGEROUS DRUGS BY SERVICE MEMBERS RAISES SERIOUS QUESTIONS RELATING DIRECTLY TO OUR NATIONAL SECURITY.

THROUGH YOUR EFFORTS AND THAT OF OUR SELECT COMMITTEE, MR. CHAIRMAN, THE NATIONAL ATTENTION BROUGHT TO BEAR UPON THE MILITARY'S DRUG ABUSE PROBLEM HAS ALREADY YIELDED ONE IMPORTANT RESULT--A RENEWED COMMITMENT ON THE PART OF THE ARMED SERVICES TO RECOGNIZE AND CONFRONT THE PROBLEM. THIS INCREASED AWARENESS AND COMMITMENT IS EVIDENCED BY

THE MILITARY'S ALLOCATIONS AND REQUESTS FOR FUNDING TO BE DEDICATED TO DRUG ABUSE PREVENTION AND CONTROL PROGRAMMING. FOR FISCAL YEAR 1983 THE SERVICES HAVE REQUESTED APPROXIMATELY $143 MILLION IN SUBSTANCE ABUSE PREVENTION AND CONTROL PROGRAM FUNDING, AN INCREASE OF APPROXIMATELY 60 PERCENT OVER THE FISCAL YEAR 1980 APPROPRIATION OF $84 MILLION. FUNDING FOR THE DRUG ABUSE COMPONENT HAS INCREASED ALMOST 100 PERCENT FROM $29 MILLION IN 1980 TO APPROXIMATELY $57 MILLION IN 1983.

WITHIN THE OVERALL DEPARTMENT OF DEFENSE BUDGET, EACH OF THE ARMED SERVICES HAS CONSIDERABLE LATITUDE IN THE DEVELOPMENT OF ITS DRUG ABUSE POLICY. THE DEPARTMENT OF THE NAVY'S POLICY REGARDING DRUG ABUSE IS THAT IDENTIFICATION OF DRUG ABUSERS COUPLED WITH CLEAR DISCIPLINARY GUIDELINES WILL BE MOST EFFECTIVE IN DETERRING DRUG ABUSE. ACCORDINGLY, THE NAVY AND THE MARINE CORPS PROGRAMS RELY VERY HEAVILY ON THE EXTENSIVE USE OF URINE SURVEILLANCE OPERATIONS THROUGH THE USE OF PORTABLE TEST EQUIPMENT AND CONFIRMING LABORATORY SUPPORT. THE NAVY HAS REQUESTED AN FY 83 BUDGET FOR URINE SURVEILLANCE OF $13.2 MILLION, NEARLY 50 PERCENT OF THE NAVY'S $27 MILLION REQUEST FOR DRUG ABUSE PREVENTION AND CONTROL PROGRAMS FOR FY 83. THE AMOUNT REQUESTED IN FY 83 IDENTIFICATION OF DRUG ABUSERS THROUGH URINALYSIS IS MORE THAN SIX TIMES THE $1.9 MILLION ALLOCATED FOR THE SAME PURPOSE IN 1980. OF THE REMAINDER OF THE FY 83 NAVY DRUG ABUSE BUDGET REQUEST, 42 PERCENT IS ALLOCATED FOR PROVIDING TREATMENT AND REHABILITATION SERVICES TO DRUG ABUSERS. FUNDS ARE ALSO REQUESTED FOR SUCH ACTIVITIES AS PREVENTION, EDUCATION, TRAINING, AND EVALUATION. MR. CHAIRMAN, I HAVE SEEN FIRST HAND OVERSEAS THE IMPACT OF THIS NEW POLICY BY THE NAVY. I PERSONALLY FEEL THE PROGRAM IS PROVING TO BE EFFECTIVE AND I COMMEND THE NAVY FOR ITS STRONG ACTION.

THE ARMY DRUG ABUSE PROGRAM EFFORT IS APPROXIMATELY $19 MILLION FOR FY 83. THAT FIGURE IS BASED UPON A RATIO SUPPLIED TO THE SELECT COMMITTEE BY THE DEPARTMENT OF THE ARMY IN WHICH APPROXIMATELY 25 PERCENT OF THE TOTAL ALCOHOL AND DRUG ABUSE PROGRAM FUNDING IS ESTIMATED BY THE ARMY TO BE SPENT ON DRUG ABUSE PROGRAMS. OF THAT SUM, APPROXIMATELY 40 PERCENT HAS BEEN REQUESTED FOR URINE SURVEILLANCE AND 33 PERCENT HAS BEEN REQUESTED FOR DRUG ABUSE TREATMENT AND REHABILITATION.

THE AIR FORCE PROPOSES TO DEDICATE 15 PERCENT OF ITS $9 MILLION FY 83 BUDGET REQUEST TO URINE SURVEILLANCE PROGRAMMING AND APPROXIMATELY 66 PERCENT OF THE TOTAL PROPOSED BUDGET TO TREATMENT AND REHABILITATION SERVICES.

DRUG ABUSE IS ONLY JUST BEGINNING TO RECEIVE THE ATTENTION THAT IT MERITS WITHIN THE DEPARTMENT OF DEFENSE AND THE ARMED SERVICES. WE IN THE CONGRESS HAVE REVEALED TO THE AMERICAN PEOPLE THE EXTREMELY SERIOUS DIMENSIONS OF THE PROBLEM. THE MILITARY MUST NOW BE GIVEN THE OPPORTUNITY AS WELL AS THE RESOURCES TO CORRECT THE SITUATION.

MR. CHAIRMAN, I ENDORSE THE NEW PRIORITIES GIVEN TO SOLVING THE PROBLEM OF DRUG ABUSE WITHIN THE MILITARY AND EARNESTLY RECOMMEND THAT THIS SUBCOMMITTEE APPROVE THAT NEW EFFORT BY GRANTING THE DEPARTMENT OF DEFENSE AND THE ARMED SERVICES THE BUDGETS REQUESTED FOR DRUG ABUSE PREVENTION AND CONTROL PROGRAMMING FOR FISCAL YEAR. 1983.

AGAIN, I APPRECIATE THE OPPORTUNITY TO APPEAR AND WILL BE HAPPY TO ANSWER ANY QUESTIONS.

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

GG2-178 July 30, 1982

The Honorable Leo C. Zeferetti
Chairman, Select Committee on
Narcotics Abuse and Control
House of Representatives

Dear Mr. Chairman:

This letter responds to your July 29, 1982, request for information on the incremental expenditures the Navy has incurred with regard to the provision of E2-C aircraft for Operations Thunderbolt and Florida. The Navy's aircraft have been used in these two projects to support the U.S. Customs Service's air interdiction efforts in the Southeastern United States.

For Operation Thunderbolt, which was carried out from October 1 to December 16, 1981, the Navy supplied two E2-C aircraft. The Operation required the aircraft to be temporarily stationed at Patrick Air Force Base, Florida, for the duration of the project. Normally, the aircraft are stationed at the Naval Air Station, Norfolk, Virginia. The aircraft flew 73 missions for a total of 367 flight hours. The Navy's incremental costs incurred for the project are estimated to be $796,000.

Operation Florida began on March 15, 1982, and is still active. The Navy's surveillance aircraft support of Operation Florida has been in two phases:

--phase I (March 15 to April 30, 1982) required two E2-C aircraft to be stationed at Homestead Air Force Base, Florida, to fly 10-hour missions 6 days per week.

--phase II (May 1, 1982 to date) requires two air surveillance aircraft to fly 17 randomly selected 5-hour missions per month. One aircraft is required for back-up.

The phase II operation does not require the Navy aircraft to be constantly stationed in Florida. Instead, several times a month the two Navy aircraft will travel to the Gulf Coast area to fly daily missions for 2 to 3 days. Seventeen missions are flown each month comprised of 10 E2-C missions by the Navy Fleet Squadron and 7 E2-B missions by Naval Reserve Units. The Navy's incremental costs for these aircraft for both phases of Operation Florida through June 30, 1982, was $715,646.

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The breakdown of costs incurred by the Navy for these two operations, as shown in the enclosure, includes fuel and intermediate maintenance costs, travel expenses, and miscellaneous logistic support. In addition, a maintenance contract was necessary for Project Thunderbolt and phase I of Operation Florida because the aircraft were permanently stationed in Florida for these operations. Under phase II of Operation Florida a maintenance contract is not necessary because the aircraft returns to Norfolk after the 2 or 3 day stay in the Gulf area.

We estimate that $273,900 in additional Navy incremental costs will be incurred to conduct Operation Florida from July 1, through September 30, 1982. We assume that the current operational level will continue--17 5-hour missions per month. The estimated costs include $198,900 for fuel and intermediate maintenance based on a rate of $780 per flight hour; $23,000 for travel and $52,000 for miscellaneous logistic support based on the expenditures already incurred for these items. It should be pointed out that if a return to a phase I-type operation is implemented, additional expenditures will be required for a maintenance contract.

To date the Navy has been reimbursed by the U.S. Customs Service for the $796,000 expense incurred in connection with Operation Thunderbolt; Operation Florida incremental costs have not been reimbursed by Customs. It should also be pointed out that the Navy has not requested reimbursement for personnel costs or for depreciation associated with the $38 million E2-C aircraft for either operation.

This information was obtained from officials in the Department of the Navy and they basically agreed with our projected cost estimates for Operation Florida. If we can be of further assistance please let me know.

Sincerely yours,

W. J. Anderson

William J. Anderson
Director

Enclosure

ENCLOSURE

. ENCLOSURE

E2-C
INCREMENTAL COSTS INCURRED BY NAVY

	Project Thunderbolt	Operation Florida
Timeframe	10/01/81-12/16/81	3/15/82-6/30/82
E2-C Flight Hours	367	435
Costs:		
Maintenance Contract (note a)	$380,000	$250,000
Other:		
Fuel and intermediate maintenance	286,816	338,874
Travel	95,146	38,462
Misc. logistics support	34,038	88,310
Total Other	$416,000	$465,646
TOTAL ALL COSTS	$796,000	$715,646

a/Maintenance contract with Grumman for Thunderbolt; Maintenance contract incurred only during phase I of Operation Florida when E2-C's were stationed in Florida.

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TECHNICAL LIMITATIONS OF AWACS AND TETHERED BALLOONS

Mr. ADDABBO. Thank you for your statement and bringing this to our attention. We have been working closely as far as drugs in the military are concerned.

Mr. Zeferetti, as you know, we recently authorized the installation of tethered balloons at an Air Force base in Florida and also the AWACS aircraft has been used in the southwest.

How would the E2C surveillance differ from these?

Mr. ZEFERETTI. First of all, we welcome any kind of effort as part of an overall surveillance effort.

I will submit for the record, Mr. Chairman, that the AWACS and balloon have very, very great technical limitations in their ability to do the kind of surveillance operation and job that is needed. Rather than burden you with all the technical information, I would like to make that part of the record.

[The information follows:]

INFORMATION LIMITING USE OF TETHERED BALLOON

- Balloons must be secured at ground level for winds, including gusts up to 50 knots.
- Under perfect conditions, range is approximately 135 nautical miles.
- The balloon provides no altitude information on a target - only location and direction.
- Detection overland is probably non-existent due to high land clutter returns.
- Radar detection of targets with velocities between 0 and 200 knots is limited because of five (5) blind speeds.
- High seas states severely limits radar performance.
- Radar effectiveness is severely limited if clouds are between the target and the radar.
- Manual adjustments are required to compensate for the constantly changing environmental changes.
- With balloons at Cudjoe Key and Patrick, there remains an open gap in Fort Lauderdale and other Coastal areas of South Florida.
- Stationary radars are easy to avoid.

INFORMATION LIMITING
USE OF
BOEING E-3A AWACS

- AWACS uses an "S" Band radar and as a result weather conditions such as moisture content, rain and clouds attenuate radar signals and can produce a clutter background. These adverse weather conditions limit target detection.

- AWACS does not detect targets with a radial velocity of less than 90 knots.

- High Clutter inputs and high PRF cause additional radial velocity limitations.

- AWACS is designed primarily for overland operations. The newly added Maritime mode is directed towards detection of large ships and detection of air targets is severely limited.

- More than one target with the same radial velocity within the same beam width causes the system to reject the inputs.

- AWACS cannot search and track targets in the air and on the surface simultaneously.

Mr. ZEFERETTI. I might add that the cost of providing an AWACS for that kind of security blanket would be quite prohibitive.

Mr. ADDABBO. Further questions?

Mr. MURTHA. I thought the balloons weren't working, is that right?

Mr. ZEFERETTI. Certainly if you have bad weather. Also, they don't give us the land surveillance we need.

Mr. MURTHA. We could do without them?

Mr. ZEFERETTI. I think if you are going to spend $16 million on something like that, I would rather spend more money and get the kind of capability that will make an impact.

Mr. ADDABBO. Thank you very much.

TUESDAY, AUGUST 10, 1982.

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

WITNESS

MAJ. GEN. FRANCIS S. GREENLIEF, EXECUTIVE VICE PRESIDENT

Mr. ADDABBO. Our next witness is Major General Francis S. Greenlief, Executive Vice President of the National Guard Association.

Welcome, General.

STATEMENT OF GENERAL GREENLIEF

General GREENLIEF. Good morning, Mr. Chairman, members.

I appreciate this opportunity to present a six-minute summary of the view of the National Guard Association on fiscal year 1983 appropriations for the Army and Air Guard.

My full statement addresses our views on needed funding in fiscal year 1983 for personnel, equipment, organizational clothing and equipment, and full-time support personnel.

In addition, I will comment on a serious problem relating to the status of the Army National Guard performing full-time military duty under the Active Guard and Reserve program, the AGR program.

ARMY NATIONAL GUARD END STRENGTH

Personnel, the fiscal year 1982 budget provided funds to permit the Guard to attain an end strength, 391,000. At the end of April 1982, the strength stood at 408,000.

The Department of the Army reprogrammed $47 million to the Army Guard to permit the Army Guard to attain a fiscal year 1982 end strength of 410,000, but that is a maximum Army capability to transfer funds to the Army Guard.

Although the bureau estimates that the ARNG could have easily attained a fiscal year 1982 end strength of 417,000, the NGB had to place strength ceilings on the states to limit the fiscal year 1982 end strength to 401,000.

The fiscal year 1983 National Guard Personnel Army budget estimate supports an ARNG beginning strength of 398,000 and an end strength of 417,000. Since the ARNG beginning strength will be at least 410,000, an additional $14.8 million is needed in fiscal year 1983.

It is essential that the ARNG attain at least the programmed fiscal year 1983 end strength because of the continued serious shortage in the IRR, and because the Army program calls for the ARNG to attain an end strength of 465,000 in fiscal year 1988.

If the ARNG opens fiscal year 1983 at 410,000, as we anticipate, and ends fiscal year 1983 at 426,000, as we believe is possible, the total additional increase needed in NGPA is estimated to be $31 million, and an increase of $4 is needed in the Operations and Maintenance ARNG Appropriation.

EQUIPMENT FOR GUARD AND RESERVES

Turning to equipment, the Senate fiscal year 1983 Defense Authorization Bill includes $550 million specifically earmarked for procurement of equipment for the Guard and Reserves.

The House fiscal year 1983 Defense Authorization Bill includes about $600 million specifically earmarked for the Guard and Reserves.

We urge that your subcommittee recommend appropriation of funds to procure all of the Guard and Reserve equipment which is finally authorized by the conference committee.

Operations and Maintenance: the Senate fiscal year 1983 Defense Authorization Bill adds $20 million for chemical defense equipment, $10 million for cold weather clothing, and $3 million for procurement of medical items for the ARNG, and adds $6 million for real property maintenance, $3 million for chemical defense equipment, and $8.2 million for cold weather clothing for the ANG.

The House bill adds $30 million for organizational clothing and equipment for all Guard and Reserve forces.

Without chemical defense equipment, National Guard units could not be effective in a chemical warfare environment. Without cold weather clothing, National Guard units can fight only in summer or in warm climes.

We urge that you recommend full funding of O&M appropriation add-ons as are recommended in the conference authorization bill.

FULL-TIME UNIT SUPPORT PERSONNEL

There is a direct correlation between unit readiness and the number of full-time unit support personnel provided to units.

The fiscal year 1983 budget provides an increase of 4800 FTM personnel, offset by a decrease of 1180 National Guard technicians for a net gain of 3620 full-time unit support personnel.

The National Guard is the strong, well-trained, and well-manned element of the total force which it is, because of state control in time of peace, not in spite of state control.

National Guard leadership, specifically including all of the State Adjutants General, has insisted that the National Guard full-time military personnel serve on full-time duty under title 32, and thus under state control, rather than under federal control as they would be if on active duty in their reserve of the Army or reserve of the Air Force status.

The Army has now made a determination that the authority of title 32 permits these full-time military personnel to be ordered to active duty as reserves of the Army.

That determination effectively places these personnel under federal control.

OPERATION THUNDERBOLT

1 OCT 81 THRU 16 DEC 81

(72 DAYS)

- U.S. CUSTOMS SERVICE AND U.S. NAVY JOINT OPERATION
- DEMONSTRATED EFFECTIVENESS OF MODERN WEAPON SYSTEMS TO SUPPORT A CIVILIAN LAW ENFORCEMENT AGENCY ENGAGED IN DRUG INTERDICTION
- RESULTS:
  - 45 AIRCRAFT SEIZED
  - 1113. POUNDS OF COCAINE SEIZED.....STREET VALUE - $ 335.8 MILLION
  - 26,320 " " MARIHUANA " ..... " " - 19.6 MILLION
  - 50 " " HASH OIL " ..... " " - 80 THOUSAND

    APPROXIMATE TOTAL - $ 360 MILLION
  - 8 GROUND VEHICLES "
  - $9,183 CURRENCY
  - 28 PILOTS ARRESTED
  - 34 NON-PILOTS ARRESTED
  - 36 ALIENS TURNED OVER TO IMMIGRATION/NATURALIZATION SERVICES

Best Available Copy

We view this action as contrary to the intent of the militia clause of the U.S. Constitution and as a raw, pure federal takeover in time of peace.

We urge that your subcommittee include in its report language a statement that it is the intent of Congress that members of the National Guard on full-time duty under 32 USC 502(f) in the AGR program are to be administered in conventional National Guard status by the State Adjutants General and not in their federal status as reserves of the Army or reserves of the Air Force.

In summary, in my statement I said that the National Guard is strong because of state control. It is also true that the National Guard is stronger and readier than it otherwise would be because of the continuing strong support of the U.S. Congress and this subcommittee in particular.

Mr. Chairman, we pledge to produce the maximum level of readiness possible with the resources provided.

I thank you for the opportunity to present our views and will be pleased to attempt to answer your questions.

[The statement of General Greenlief follows:]

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

ONE MASSACHUSETTS AVENUE, NORTHWEST • WASHINGTON, D.C., 20001 • (202) 789-0031

STATEMENT BY

MAJOR GENERAL FRANCIS S. GREENLIEF (RET.)

EXECUTIVE VICE PRESIDENT

of the

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

to the

Defense Subcommittee

of the

House Appropriations Committee

10 August 1982

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

ONE MASSACHUSETTS AVENUE, NORTHWEST • WASHINGTON, D.C., 20001 • (202) 789-0031

BIOGRAPHY

MAJOR GENERAL FRANCIS S. GREENLIEF (Ret.)
Executive Vice President
National Guard Association of the United States (1974-)

Major General Francis S. Greenlief joined the staff of the National Guard Association of the United States in September 1974, after retiring as Chief, National Guard Bureau on 1 July 1974. He was appointed the Executive Vice President of the 48,000-member Association in September 1975.

General Greenlief was born in Hastings, Nebraska on 27 July 1921. He completed high school there and enrolled in the University of Nebraska in 1939 to study business administration.

He enlisted in Company G, 134th Infantry, Nebraska National Guard in Hastings on 5 July 1940, and was ordered to active duty with his unit on 23 December 1940 as a corporal. At the time of his entrance to Infantry Officer Candidate School in May 1942, he was Acting First Sergeant of the same Company.

General Greenlief was graduated from Officer Candidate School and was commissioned a second lieutenant, Infantry, on 25 August 1942. He served as Platoon Leader and Commanding Officer, Company L, 134th Infantry in the European Theater of Operations from May 1944 until August 1945, participating in the Normandy, Northern France, Rhineland, and Ardennes Campaigns. He was released from active duty on 5 January 1946.

On 3 November 1947, General Greenlief rejoined the Nebraska National Guard as Commanding Officer, Company G, 134th Infantry. He subsequently served as S-3 of the 134th Infantry Regiment, acting Assistant Adjutant General of Nebraska, G-4 of the 34th Infantry Division and Division Chief of Staff. He was promoted to colonel on 1 July 1957.

As a colonel, he was ordered to active duty from the Nebraska Army National Guard and assigned as Executive Officer, Army Division, National Guard Bureau on 1 January 1960. He was appointed brigadier general and designated Assistant Chief (Army), National Guard Bureau, on 3 November 1962.

General Greenlief was appointed as Deputy Chief, National Guard Bureau, on 14 September 1963 and was promoted to major general on 9 February 1965. On 13 September 1967, he was extended for an additional four-year term. On 20 April 1970, he was appointed Director, Army National Guard in addition to his duties as Deputy Chief, National Guard Bureau.

He was appointed by the President and confirmed by the Senate to be Chief, National Guard Bureau, for a four-year term and was sworn into office on 1 September 1971.

He completed flight training and was designated an Army Aviator on 22 May 1969. He is qualified in fixed and rotary wing aircraft.

AWARDS AND DECORATIONS include Distinguished Service Medal, USA, w/cluster; Distinguished Service medal, USAF; Silver Star, Bronze Star, Purple Heart with three Oak Leaf Clusters, Croix de Guerre with Gold Star, European-African-Middle Eastern Campaign Medal with four Battle Stars, the Combat Infantry Badge and the Army Aviator Badge, Distinguished Service Medal, NGAUS; and many State awards.

STATEMENT
Defense Subcommittee
House Appropriations Committee

Mr. Chairman, and members of the subcommittee, I appreciate this opportunity to present the views of the National Guard Association of the United States on FY83 appropriations for the Army and Air National Guard.

As you know, the National Guard is the only component of the Armed Forces which performs a dual role, i.e., Federal and State. On almost any given day of any year, National Guard units, Army and Air, are performing emergency service in some State in the public protection role. This is possible because of the uniqueness of the National Guard as established by the Constituion and many subsequent enactments of the Congress, because of State support (including financial support), and because of the training, equipment, and facilities provided by the Federal government to produce wartime units.

The Army National Guard provides 46 percent of the combat structure of the U.S. Army and a significant portion of the support units of the U.S. Army. The Air National Guard provides 40 to 60 percent of the aircraft of the several Air Force Commands, and 70 percent of the combat communications capability of the Air Force.

The Army and Air National Guard provide such a significant part of Army and Air Force war-fighting capability that those services cannot expect to fight and win unless the National Guard can fight when, where, and as well as the Regulars. Since the National Guard is expected to fight when, where, and as well as the Regulars, we insist that we be manned, trained, equipped and supported as well as the Regulars.

My statement will address our views on needed funding in FY83 for Personnel, Equipment, Organization Clothing and Equipment, and Full-time

Support Personnel. In addition, I will comment on a serious problem relating to the status of Army National Guard personnel performing full-time military duty under the Active Guard and Reserve (AGR) program.

PERSONNEL

All services and all components of the services are doing well in recruiting and retention of military personnel. The Army and Air National Guard have been especially successful. But, because of the tremendous surge in recruiting, the ARNG has a serious financial problem.

The cumulative effect of strong leadership, incentives provided by the Congress, a hard-working effective recruiter force, and a depressed economy, has pushed the ARNG manpower level far above the FY82 budgeted strength. Current strength levels guarantee that the FY83 funded level will be exceeded unless additional funds are provided or the recruiting effort is restrained.

The FY82 budget provided funds to permit the ARNG to attain an end strength of 398,000. At end April 1982, the personnel strength of the ARNG stood at 408,000. The Department of Army has reprogrammed $47 million to the ARNG to permit the ARNG to attain an FY82 end strength of 410,000, but that is the maximum Army capability to transfer funds to the ARNG.

Although the National Guard Bureau (NGB) estimates that the ARNG could have easily attained an FY82 end strength of 417,000, the NGB had to place strength ceilings on the States to limit the FY82 end strength to 410,000.

The FY83 National Guard Personnel Army budget estimate supports an ARNG beginning strength of 398,000 and an end strength of 417,000. Since the ARNG beginning strength will be at least 410,000, an additional $14.8 million is needed in FY83.

It is essential that the ARNG attain at least the programmed FY83 end strength because of the continued serious shortage in the IRR, and because the Army program calls for the ARNG to attain an end strength of 465,000 in FY88.

If the Congress adds funds to the NGPA Appropriation, thus permitting the ARNG to continue unrestrained recruiting, the National Guard Bureau estimates that an FY83 end strength of 426,000 can be attained. In our view, this strength growth should be permitted because of the long-range objective of 465,000.

If the ARNG opens FY83 at 410,000, as we anticipate, and ends FY83 at 426,000, as we believe is possible, the total additional increase needed in NGPA is estimated to be $31 million, and an increase of $4 is needed in the Operations and Maintenance ARNG Appropriation (O&MARNG).

We believe that funding for an FY83 end strength of 426,000 is a most cost effective step toward the long-range goal of 465,000 and urge that you recommend the addition of $31 million to the FY83 NGPA Appropriation, and the addition of $4 million to the FY83 O&MARNG Appropriation.

EQUIPMENT

The Congress has properly concerned itself with the failure of a series of Administrations to budget adequately for so-called readiness items. Generally speaking, a discussion of readiness is taken to mean consideration of those things needed by soldiers and airmen operating their equipment in training or combat. However, when one considers the antiquity of much of the National Guard's equipment and absolute voids of some items of equipment,

any discussion of National Guard readiness must address the equipment problem.

With the adoption of the Total Force Policy in FY71, major elements of the active Army and Air Force were inactivated and their roles and missions were passed to the National Guard and Reserves. As stated in Secretary of Defense Laird's Memorandum of August 1970, the purpose of increased reliance on the Guard and Reserves was to reduce defense expenditures, and significant savings were achieved. However, in our view, what has occurred is a classic case of double dipping.

Having reduced defense expenditures by eliminating active duty force structure, a series of Administrations have sought to further decrease defense expenditures by failing to ask the Congress for authority and funds to fully equip Guard and Reserve units to perform the roles and missions assigned them.

The equipment required by a unit is the same whether that unit be an active duty unit or a Guard or Reserve unit. The equipment requirement is generated by the fact that a unit is required by war plans — not by the component which furnishes the unit.

I do not want to imply that no progress is being made in equipping the force. The 48th Mechanized Brigade of the Georgia Army National Guard is being equipped with M60A-3 tanks and Improved TOW Vehicles concurrently with the equipping of the 24th Mechanized Division, U.S. Army, which the 48th Brigade rounds out. Major General Galvin, U.S.A., commander of the 24th Mechanized Division, referred to the modernization of the 48th Brigade as a "great start." He went on to say, "now they need radios so we can talk to them."

In FY 1983, the 2d Battalion 252nd Armor, North Carolina ARNG, will receive M-1 tanks as the 2nd Armored Division, U.S. Army, is equipped with M-1 tanks because the 2/252 Armor Battalion rounds out the 2nd Armored Division. It is refreshing to note that the Army plans to transfer funds from its FY83 appropriations to the ARNG to support the M-1's being issued to the Guard.

This modern equipment is being issued to these ARNG units because they have early deploying missions and because these units have produced a level of readiness which justifies their being issued this modern equipment.

The entire Army and Air National Guard deserves modern equipment based both on mission requirements and on unit readiness.

The Senate FY 1983 Defense Authorization Bill includes $550 million specifically earmarked for procurement of equipment for the Guard and Reserves. The House FY 1983 Defense Authorization Bill includes about $600 million specifically earmarked for the Guard and Reserves.

We urge that your subcommittee recommend appropriation of funds to procure all of the Guard and Reserve equipment which is finally authorized in the Conference Committee Bill.

OPERATIONS AND MAINTENANCE

The Senate FY 1983 Defense Authorization Bill adds $20 million for Chemical Defense Equipment, $20 million for Cold Weather Clothing and $3 million for procurement of Medical Items for the ARNG, and adds $6 million for Real Property Maintenance, $3 million for Chemical Defense Equipment, and $8.2 million for Cold Weather Clothing for the ANG.

The House Bill adds $30 million for Organizational Clothing and Equipment for all Guard and Reserve forces.

Without Chemical Defense Equipment, National Guard units could not be effective in a chemical warfare environment. Without Cold Weather Clothing, National Guard units can fight only in Summer or in warm climes. We urge that you recommend full funding of O&M appropriation add-ons as are recommended in the Conference Authorization Bill.

FULL-TIME UNIT SUPPORT PERSONNEL

There is a direct correlation between unit readiness and the number of Full-Time Unit Support (FTUS) personnel provided to units. This correlation is best illustrated by the high level of readiness maintained by Air National Guard units.

When National Guard technicians were the sole source of FTUS personnel, the number of FTUS was held far below unit requirements by the legislative ceiling on the number of technicians, by a series of hiring freezes, and by reductions in the total number of Department of Defense civilian personnel. The Appropriation Committees' initiative, which established the Full-Time Military program with National Guard personnel serving on full-time military duty under title 32, USC, has permitted badly-needed growth in the FTUS program.

The FY83 budget provides an increase of 4,800 FTM personnel, offset by a decrease of 1,180 National Guard technicians, for a net gain of 3,620 Full-Time Unit Support personnel.

The National Guard is the strong, well-trained, and well-manned element of the Total Force, which it is, because of State control in time of peace—not in spite of State control.

National Guard leadership, specifically including all of the State Adjutants General, has insisted that the National Guard full-time military personnel serve on full-time duty under title 32, and thus under State control, rather than under Federal Control as they would be if on active duty in their Reserve of the Army or Reserve of the Air Force status. The Army has now made a determination that the authority of title 32 permits these full-time military personnel to be ordered to active duty as Reserves of the Army. That determination effectively places these personnel under Federal control. We view this action as contrary to the intent of the Militia Clause of the U.S. Constitution and as a Federal takeover in time of peace.

We urge that your subcommittee include in its report language a statement that it is the intent of Congress that members of the National Guard on full-time duty under 32 USC 502(f) in the AGR program are to be administered in conventional National Guard status by the State Adjutants General and not in their Federal status as Reserves of the Army or Reserves of the Air Force.

SUMMARY

In my statement, I said that the National Guard is strong because of State control. It is also true that the National Guard is stronger and readier than it otherwise would be because of the continuing strong support of the U.S. Congress and this subcommittee in particular.

Mr. Chairman, we pledge to produce the maximum level of readiness possible with the resources provided.

I thank you for the opportunity to present our views and will be pleased to attempt to answer your questions.

Mr. MURTHA [presiding]. We appreciate your coming.

As you know, this committee has been a strong supporter of the National Guard. I visited a number of units and found the equipment is getting run down, chemical warfare equipment you mentioned, in particular.

I found one unit in Pennsylvania in the Rapid Deployment Force that has received their allotment. They say there are still some problems of obsolete spare parts, but they are starting to get the equipment.

I think it is due in good part to the lobbying effort by the National Guard Association, and by this committee, which has worked so hard in trying to make sure the National Guard and Reserves are properly supplied.

I appreciate everything you have said and we will certainly take into consideration the comments you made and look into the problems you have suggested.

The gentleman from Virginia?

Mr. ROBINSON. Thank you, Mr. Chairman. I would like to say, General, I am totally in sympathy with what you say, particularly with regard to the full-time personnel staying under state control.

General GREENLIEF. Thank you, sir.

Mr. MURTHA. Thank you very much.

TUESDAY, AUGUST 10, 1982.

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

WITNESSES

MAJ. GEN. J. MILNOR ROBERTS, EXECUTIVE DIRECTOR
CAPT. BENNETT SPARKS, U.S. COAST GUARD, PRESIDENT

Mr. MURTHA. General Roberts, Executive Director, Reserve Officers Association.

STATEMENT OF GENERAL ROBERTS

General ROBERTS. Mr. Chairman, as always, it is a pleasure to be with you at these hearings. I could echo what General Greenlief has said about the support of this committee and about the Congress in general for Reserve components.

I am particularly pleased to have with me this morning the newly-elected President of the Reserve Officers Association of the United States.

It is not often that some of our elected officials have this opportunity. Captain Bennett Sparks, on my left, as you will note, is a Coast Guard Captain, and it is the first time in the 60-year history of ROA we have had a representative of that service as national president.

At the risk of being a little parochial, I have asked Captain Sparks to make a comment or two on funding for the Coast Guard, even though that is not a concern of this subcommittee, but the Appropriations Committee in general.

STATEMENT OF CAPTAIN SPARKS

Captain SPARKS. It is a pleasure to be here this morning and have this opportunity. While it is not directly your responsibility, it certainly affects the United States Navy's ability to mobilize as to how the Coast Guard Reserve is funded because all the mobilization billets emanate from the Navy.

COAST GUARD RESERVE

While we have every reason to believe the Coast Guard will be authorized at a 12,000-man ceiling this year, the Administration has requested only funding for 10,700.

Very simply, the Coast Guard Reserve needs additional funding. When it gets to the floor of the entire Appropriations Committee, I urge you look at this matter.

It affects the Navy's ability to protect our ports, to get the Army, the Rapid Reployment Force, the Marine Corps, through the ports.

It affects the strategic mobility of this nation.

I hope you will have the opportunity to consider the small amount of four or five million dollars properly funded.

Mr. MURTHA. Thank you.

General Roberts?

General ROBERTS. Mr. Chairman, I have asked my entire statement be submitted for the record. I will attempt to highlight some of it by service and conserve time.

ARMY RESERVE END STRENGTH

On page three of my statement, Mr. Chairman, we call attention to the fact the Administration itself has asked for an Army Reserve end strength of 251,680 but then had, let's say, the audacity to come back over to the Hill and ask for that to be cut in funding.

I believe this is going to be corrected, but to make sure you are aware of it, after asking for this end strength, they wanted to cut the Army Reserve budget by $140 million, which will take $80 million out of the drill strength and $60 million from the full-time manning program which is absolutely essential if we are going to get these units into the kind of readiness they should be in.

EQUIPMENT FOR ARMY RESERVE

I think, Mr. Murtha, you are well aware the Army Reserve has had a problem with readiness because of lack of full-time manning, for one thing, to say nothing of equipment. That is my next subject.

I have just called attention to the fact we have a table in here on page 6 of our statement that shows the Army reserve presently has just under $2 billion worth of equipment whereas the mobilization requirement is virtually $6 billion, which tells us something about the magnitude of the problem.

Whatever can be done to shore that up, I would urge this committee to do.

NAVAL RESERVE STRENGTH

With respect to the Navy, on page 9 of my statement I point out the fact that we have recommended a selected Reserve strength of 100,750 as an end strength for the Navy, which does not include the TARs.

The Navy has played games with the numbers and are asking for a smaller number which includes the TAR program which is a misleading proposition.

Actually there are still 94,000 for the Selected Reserve plus the TARs.

We believe this committee should take a careful look at that and the committee should, as a matter of fact, approve funding for a selected Reserve strength of 100,750 exclusive of the TAR program which would cost an additional $11.7 million if approved as an end strength versus a man-year average.

We think that makes some sense because if they start it tomorrow, it will take them a while to recruit.

EQUIPMENT FOR THE NAVAL RESERVE

With regard to equipment for the Naval Reserve, we urge the support of this committee for the program which the Navy has initiated to replace the C-118s with DC-9s, which are available as surplus items from the commercial side and to approve an appropriation of $60.6 million for this purpose.

This is a stop gap measure because obviously we would be better off with new equipment, DC-9s, but since that is a more expensive way to go and the Navy has worked this out, we suggest that you fully fund their request.

We also ask for funding for several brand new DC-9s to keep those production lines running.

I would also like to call your attention on pages 13 and 14 of my statement to the problem with P—3 aircraft which are ASW types.

Unfortunately, the modernization program which the Navy requested was not funded, and this simply means that the ASW aircraft in the Naval Reserve Air units are not mobilization capable because of antiquated equipment.

Therefore, we strongly recommend funding procurement for 36 of these aircraft in fiscal year 1983 at $170.2 million which is an increase of $50.4 million over the Administration request.

We applaud the interest of the Secretary of the Navy and Admiral Watkins in pushing for new equipment for the Naval program, both the surface and the air, and we are looking to the future to see those programs are implemented.

EQUIPMENT FOR MARINE CORPS RESERVE

With regard to the Marine Corps, on page 16 of my testimony we point out something with which the committee is familiar. That is, like all the other services, when they get around to cutting, they cut repair parts, consummables, this type of equipment, because it is kind of non-appealing and it doesn't have the magic of brand new equipment, but it is absolutely critical to the maintenance of the force.

The current shortfall is $684.2 million with a proposed reduction to $653 million in this fiscal year, 1982.

The fiscal year 1983 budget would reduce the shortfall to $612.5 million. We believe this committee should do what it can to increase that appropriation to further reduce the shortfall for obvious reasons.

We think this committee, because of its initiative last year in supplying the funds for KC-130 aircraft for the Marine Air Reserve, would do that again this year.

Last year four were funded, but nothing was requested in 1983. We suggest you take a look at that proposal.

EQUIPMENT FOR AIR FORCE RESERVE

With regard to the Air Force Reserve, I am not going to go into detail on the equipment problems of the Air Force Reserve, because they are spelled out in my statement.

I would suggest the Air Force Reserve badly needs modern equipment in the transport field because they still have a number of C-130A models which are badly obsolescent.

Some of the newer ones which have been authorized recently have gone disproportionately to the Air Guard rather than the Air Reserve, although the Air Reserve has the primary responsibility.

I would suggest the committee take a look at that.

There is another minor item on the Air Force side, but which isn't minor because of the precedent it has set.

That is what is known as the technicians pay cap. Of all the people in government, they singled out the Air Force technicians to be capped at a total saving of $164,000 for the year, and this is about below the noise level—it is not the money we are concerned about, it is the precedent.

If you can take one group of people and say we will treat you differently than the rest, we think that is a very sad way to go.

I understand some of the Air Force uniformed folks will be talking with Mr. Addabbo today about that issue. We fully support removing that pay cap.

Mr. MURTHA. General Roberts, we mentioned before you came in we are really constrained by time. We appreciate the comments that you have made. We will certainly take into consideration the recommendations.

Your entire statement will appear in the record.

[The statement of General Roberts follows:]

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Statement of

Major General J. Milnor Roberts, AUS (Retired)

Executive Director

Reserve Officers Association of the United States

Before the

House Appropriations Committee

Subcommittee on Defense

FY83 Defense Appropriations

10 August 1982

Statement of Major General J. Milnor Roberts, AUS (Ret.)
Executive Director, Reserve Officers Association of the United States, before the House Appropriations Subcommittee on Defense, for Fiscal Year 1983 Defense Appropriations, 10 August 1982.

Mr. Chairman and Members of the Committee:

It is a pleasure to have the opportunity to appear before this Subcommittee for a presentation of the views of the Reserve Officers Association on some aspects of the proposed 1983 program for Reserve Forces. In view of the fact that the Department of Defense continues to place very great reliance on Reserve components, the status of their training, support, and structure are of vital importance as they affect readiness of these units.

The members of this Subcommittee are quite aware that pressures to maximize the efficient use of dollars devoted to defense are unprecedented, and those dollars which are devoted to the Reserve Components are some of the most cost effective anywhere in the entire defense structure. For example, the Reserve components receive only about five cents of every defense dollar in direct application, but Reserves make available approximately 30 percent of our Total Force. In the case of the Army, Reserve components supply over half of the combat units available upon mobilization and they also provide 70 percent of combat service support units. It is safe to say that there is no significant contingency which may confront this country which does not require fast and effective use of Reserve Forces.

In consideration of the above facts, we believe that this Subcommittee should examine provisions for the Reserve very carefully and demand answers to questionable budget shortages which adversely effect the efficiency of these units.

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ARMY RESERVE

The Army Reserve Budget -- Fiscal Year 1983

The Congress has been requested to provide $1.954 billion in obligational authority to fund the Army Reserve's programs in Fiscal Year (FY) 1983. The following chart compares the Army Reserve budget request for FY 1983 with the last 2 years appropriations.

($ in Millions)

	FY 1981 Actual	FY 1982 Estimates	FY 1983 Request
Reserve Personnel Army	865.5	973.1	1,224.8
Operations and Maintenance	520.7	659.0	686.4
Military Construction	43.2	64.7	42.8
Total Program	1,428.4	1,696.8	1,954.0

ROA believes this to be a minimal amount needed to support the increased strength authorization and the expanded training program. In fact, we point out in subsequent segments of our report, the real need for additional funding to support training and upgrade equipment and facilities.

Army Reserve Personnel Strength

Although significant progress is being made in a continuing high priority program to bring Army Reserve units up to authorized strength and to retain qualified individuals in the units, problems also continue to exist. On the positive side, troop program unit end strength, which reached a low of 185,000 in

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FY 1978, has been increasing steadily since: 189,900 in FY 1979, 203,957 in FY 1980, 223,045 in FY 1981; and 241,000 in FY 1982. The FY 1983 strength request of 251,680 continues the upward trend, but still leaves the Army Reserve 35,000 short of wartime requirements.

ROA is concerned, and strongly opposes, initiatives undertaken by the Secretary of Defense to reduce the FY 1983 budget by $140 million, consisting of $80 million for Army Reserve paid drill strength, and $60 million for Army Reserve full time manning. We are indeed grateful to the Congress, for recognizing and rejecting this action which would have disasterous affects on recruiting, retention and training of the Army Reserve. We recommend enhancing the Army Reserve's percentage of the Total Army Budget, rather than reducing it, to offset the overall reductions being proposed.

Included in the budget request are monetary incentive programs supported by the Congress which will continue to be a significant tool in increasing Army Reserve enlisted paid drill strength, channeling of new members into high priority units for six years, and attracting qualified high school graduates to enlist in critical skill positions in any unit. In FY 1981 the program resulted in 5,580 soldiers enlisting for $1,500 cash bonuses and 3,490 enlisting for educational assistance of up to $4,000. ROA believes that the Congress should continue to support strongly this two-pronged bonus/educational assistance program which attracts qualified applicants who are upgrading the readiness status of Army Reserve troop units, at the same time

this program helps improve retention.

Recruiting Needs

LTG Thurman, Deputy Chief of Staff for Personnel at a previous Congressional hearing, expressed satisfaction with the increase in the percentage of high school graduates recruited by all components of the Total Army.

However, although 71 percent of soldiers recruited in the active Army in FY 1981 and 63.7 percent recruited during the same period into the Army National Guard were high school graduates, only 61.4 percent of the 66,639 recruits accepted into the Army Reserve during FY 1981 were high school graduates. Since recruiting for the Army Reserve is under the auspices of the USA Recruiting Command, ROA is concerned with the apparent need to upgrade the quality of recruitment for the Army Reserve.

Full-Time Manning Support

The full-time manning program, as a part of full-time unit support, is an area of continuing concern which ROA believes needs greater attention. Although the program show material increases in full-time personnel from 821 in FY 1980 to a projected full-time manning strength of 3,588 in FY 1983 -- the Army Reserve historically has had the lowest percentage of full-time personnel supporting units among all service Reserve Components. In view of the very positive effect of the program on unit readiness and on the efficient use and management of Reserve resources, ROA recommends that an even higher priority be placed on correcting the deficiency by doubling the number of full-time unit support military personnel assigned to Army Reserve Units in FY 1983.

CAPSTONE Training Program

The CAPSTONE program has proven to be a most beneficial Army initiative. The program aligns Reserve Component units based on United States Army Europe's wartime requirements in order to develop a methodology that permits Active Component and Reserve Component units to train and plan in peacetime with the command they will deploy and fight with in wartime. This single initiative has focused training on wartime mission and has certainly improved Reserve Component readiness. We at ROA are very much concerned that this most important training program and others such as the scheduled Gallant Eagle Exercises which develop readiness to the sharpest degree, will be endangered by restricting the level of training travel funds needed to realistically implement the programs. ROA urges the Congress that current travel fund levels for training support be significantly increased in FY 1983 so that each unit has the opportunity to train with its active compoment unit at least once every three years. For those units with a Rapid Deployment Force mission, this readiness training should be budgeted annually.

Equipment

The FY 1981 overall equipment on hand status of the Army Reserve was 63 percent of the peacetime dollar value authorized, and 32 percent of wartime dollar value requirements (not considering M1 Tank requirements). The Army Reserve equipment status for selected items at the end of FY 1981 is shown.

ARMY RESERVE EQUIPMENT STATUS
($ IN MILLIONS AT END FY 1981)

Commodity	Required	Authorized	On hand	FY 1981 Issues All Sources*
Comm-Elct	$ 532,886	$ 261,527	$115,047	$ 6,149
Tank Automotive	3,338,236	1,445,673	927,166	30,257
Aviation	685,249	442,048	328,956	20,356
Weapons	575,654	318,482	254,591	8,006
Missile	63,907	31,663	5,767	195
Other	716,403	560,989	284,438	17,205
	$5,912,335**	$3,060,382	$1,915,963	$82,168

* Includes Procurement, Depot Maintenance and Redistribution.
** This figure excludes the requirement of the M1 Tank. If the M1 Tank was included, this figure would be $7,546,502.

Army Reserve units in peacetime must have, as a minumum, the essential level of equipment needed for training. Beyond that there must be an assurance that sufficient equipment will be available to Army Reserve units in time to meet deployment schedules and perform wartime missions, especially since 57 percent of Army Reserve units will be deployed within 30 to 60 days, and almost all within 90 days.

Total Army modernization must include the Army Reserve. It is vitally important that the Reserve Component forces are adequately modernized in order to be able to perform their missions in support of the Active Component. Fielding forces with incompatible equipment systems compounds the support mission problems for the Total Army. In addition, incompatible equipment systems require additional repair parts and related equipment to sustain

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the fighting forces required to meet contingency plan requirements.

NAVAL RESERVE

The Naval Reserve has made remarkable strides during the past three or four years with 1981 being the most productive year yet observed by ROA. These improvements cover the entire spectrum of strength, equipment, readiness and training. However, most impressive has been an attitude change by the Active Navy towards the Naval Reserve -- "One Navy" appears well on the way towards reflecting a meaningful relationship and no longer represents the hollow phraseology which many of us observed for too many years. This remarkable turn-around can be attributed to the outstanding leadership of the CNO, Admiral Hayward; the knowledgeable and dynamic direction being provided by Secretary Lehman; and the strong and consistent emphasis by the Congress concerning effective utilization of Reservists.

The recent acceptance by OSD of the NAMMOS methodology for determining manpower requirements represents another hallmark. A close reading of the OSD language appears to reflect some possible reservations for the future; accordingly, OSD actions concerning Naval Reserve manpower strengths must continue to be monitored closely to determine if the spirit of NAMMOS has truly been accepted. Nevertheless, Congress is to be highly commended for keeping the pressure on OSD either to accept NAMMOS or to provide a logical alternative.

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The administration proposal for 94,000 Selected Reservists in FY 1983, exclusive of IMA personnel and TARS, certainly represents a significant improvement over the consistency of many years of strength reduction proposals. In fact, the current Navy plan calls for a Selected Reserve strength of 98,654 by FY 1987. Plans which call for increasing the size of the Selected Reserve towards the NAMMOS requirements are applauded by ROA. However, a look at the NAMMOS requirement for FY 1987 shows a wartime requirement of 121,187. In other words, the gap between the Navy plan and NAMMOS requirements grows from the current 18,400 to 22,533 in FY 1987 — hardly the direction we should be going. This is particularly critical in view of the OSD Program Guidance which directs that the Services plan to meet all moblization manpower requirements by the end of FY 1986.

ROA concurs fully that quality should not be compromised for quantity. In no instance should personnel whose skills are not required for mobilization be brought into the Naval Reserve merely to reflect increased strength. Nevertheless, ROA believes that the Navy should move boldly towards planning to meet the stated NAMMOS requirements. To this end, however, merely authorizing and funding increased numbers may be insufficient. Many of the requirements are in medical related fields which are extremely difficult to fill. Another factor is the lack of "A" school seat availability which severely restricts the number of non-prior service "Ready Mariner" accessions. Expansion of the training base and development of incentives to attract needed, but scarce skills should be throughly explored.

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ROA recommends that the Navy planning figures for the Selected Reserve reflect the OSD Program Guidance and to that end should project a constant growth towards the NAMMOS requirement of 121,187 by FY 1987. Therefore, along with the Naval Reserve Association, ROA recommends that a Naval Selected Reserve strength of 100,750, exclusive of IMA personnel and TARS, be funded for FY 1983. The Navy submission for FY 1983 requests a Naval Reserve strength of 105,500, an apparent increase of some 12,000 over FY 1982. However, this figure includes for the first time ever 550 IMA personnel and 11,500 TARS; so the actual FY 1983 request represents no increase in actual strength over FY 1982. (We will address this rather misleading accounting procedure later in our testimony, since it has been imposed by OSD and applies to all Reserve Components.) Accordingly, our recommended increase in Naval Reserve Selected Reserve strength to 100,750 would result in a total strength of 112,800 if IMAs and TARs are included. The additional cost over the submitted budget is estimated at $23.3 million ($11.7 million if the Selected Reserve strength is approved as end strength vice man-year average). We share the Navy's concern about attainment, but, nevertheless, believe that every effort, including those noted above, must be expended to prevent further widening of the gap between requirements and Selected Reserve strength.

A closely related and critical problem facing the Naval Reserve in the FY 1983 budget request is a continuation of reduced recruiting funding originally levied in FY 1982. The anomaly of reducing recruiting funds while at the same time increasing recruiting requirements is unusual, to say the least.

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The pressures to continue to increase the size of the Naval Reserve over the next several years, as we noted earlier, will probably continue. The immediate requirement is an increase of 7,000 personnel in the Selected Reserve. Nevertheless, the Chief of Naval Reserve will have an $1.89 million shortfall of funds for recruiting purposes in FY 1983. This total shortfall is about equally split between the O & M and RPN appropriations. For example, the FY 1981 advertising budget was $1.2 million, but for FY 1983 it is only $965 thousand. Even though this situation generally reflects Congressional guidance to cut back on recruiting costs during a period of higher unemployment, it still makes no sense! Recruiting advertising and contact efforts cannot be cut off and on like a spigot, depending on perceptions of the market. Private industry fully appreciates this fact. No matter how successful Coca-Cola sales are, for example, they maintain a constant or increasing level of advertising. To do less results in quickly dropping sales. The Naval Reserve is tasked to significantly increase "sales," while their advertising budget is being reduced significantly. ROA recommends that the Chief of Naval Reserve be provided an additional $1.89 million for recruiting, including an increased advertising amount of $540 thousand, for FY 1983.

In the area of hardware the most critical immediate need, which has been addressed repeatedly over the past few years, is the maintenance of an organic Navy tactical airlift capability. This need is codified in 10 U.S.C. 5012 (b) and has been verified repeatedly through Congressional hearing and through Navy and OSD

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studies. Old C118 aircraft are being phased out even more rapidly than planned because of repair and maintenance problems associated with obsolescence. There have been no replacements other than sporadic C9B "buys" in minimal numbers. The history of C9B procurement is a classic case of on-again, off-again procurement "sputter." 13 C9B aircraft are now operational; two were authorized and funded for FY 1980, but were deleted as a result of FY 1980 Supplemental and Recision action. Six were authorized for FY 1981, but only two were funded -- in essence the same two deleted for FY 1980. None were included in the FY 1982 Budget request, but both the House and Senate came to the rescue and authorized procurement of used "airline excess" C9s (twelve by the Senate, six by the House). However, Administration pressure directed to the Conference Committee resulted in the elimination of the entire C9 procurement for the Naval Reserve. A rather unusual and totally frustrating result, to say the least!

Maintenance of this capability is such a critical immediate need that the Navy has initiated action to lease used C-9 aircraft, starting in FY 1982, out of existing funding. ROA wholeheartedly commends the Navy for this initiative; however, such desperation action is only a "band-aid" at best. Further Congressional action and support is urgently needed.

The depressed state of the airline industry has made available used DC9s which are an attractive alternative to new aircraft. Use of these "airline excess" planes, however, results

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in a sacrifice in capability and longevity. A new C9B has longer range, greater flexibility, better cargo convertibility and obviously, much longer service life. Therefore, as we testified last year, ROA strongly supports used C9 procurement but deplores the expedient of such procurement to the exclusion of essential new procurement.

Accordingly, we have strongly urged that four new C9B aircraft with appropriate site support and spares be purchased and eight used C9 aircraft with appropriate site support and spare be lease/purchased in FY 1983. Maintaining at least a minimal flow of new C9B aircraft each year until the total requirement is met is particularly necessary in view of the fact that the manufacturer no longer produces this version of the C9 for civilian use. Without a demonstrated intention to continue such purchases of C9B aircraft for the Navy, production line realities will dictate significantly higher unit costs. However, neither the House nor the Senate have authorized procurement of new C9B aircraft for FY 1983. Accordingly, ROA strongly urges appropriation of $60.6 million, $44.4 above the Administration request, as authorized by the House, for lease, or lease/purchase of used DC9 aircraft.

The program to modernize the ASW capability of Naval Reserve land based patrol aircraft was provided significant momentum by the Congress is the FY 1981 Budget. This program, involving installation of a Tactical Navigation Modernization kit (TACNAVMOD) in P3-A/B aircraft, received no funds in FY 1980. However, in FY

1981 the Congress recognized the need to accomplish such modernization rapidly so that Naval Reserve ASW aircraft would be combat ready in the event of mobilization. Accordingly, Congressional action provided for installation of TACNAVMOD in 34 aircraft in FY 1981. The FY 1982 Budget request again ignored the need to accelerate this modernization and requested only 15 such kits. However, both the House and Senate recognized the need to maintain the momentum provided by the 96th Congress and authorized the modification of 36 P3-A/B aircraft for FY 1982. However, unbelievably, the entire TACNAVMOD package was deleted by the Conference Committee as a result of the aforementioned Administration insistence.

It is absolutely essential that the previous momentum be regained so that these Naval Reserve aircraft will possess the necessary mission capability upon mobilization. This is doubly true now since not only was an entire year of this vital program lost in FY 1980, but now another year has been lost because of FY 1982 budget action.

A total of 71 P3-A/B aircraft remain outside the modernization program. Originally, ROA did not believe it necessary to modify all of these aircraft since the on-going active Navy P3C procurement program would result in a steady flow of modified P3Bs to the Naval Reserve and up to 29 P3-A/Bs could be phased out without modification. However, the current Navy proposal to effect a fifty-seven percent slow-down in P3C procurement over the next several years drastically alters this conclusion. Accordingly,

ROA strongly recommends funding procurement of 36 TACNAVMOD kits in FY 1983 at a cost of $170.2 million, an increase of $50.4 million over the $119.8 million requested by the Administration.

The need to upgrade and modernize Reserve equipment encompasses the entire spectrum of Reserve Missions. However, it is particularly critical in the Naval Reserve Carrier Air Wings. The capability of these Reserve Air Wings is unquestioned and has been constantly demonstrated. However, they are flying rapidly aging aircraft and the compatibility gap between these aircraft and those flown in the fleet grows wider at an alarming rate. This is particularly significant because the aircraft carriers to which these Air Wings would mobilize are becoming increasingly more specialized in their intermediate maintenance systems. Accordingly, there would be neither spare parts nor test-bench equipment on board to support the newly arrived Reserve aircraft. Greater compatibility between Reserve and Fleet aircraft must be achieved.

The time honored Navy practice of "hand-me-down" equipment for the Naval Reserve may have been effective at one time; but continuation of this practice has driven the Naval Air Reserve, in particular, almost to ineffective obsolescence. This fact has now been recognized by both the Secretary of the Navy and the CNO. They have publically renounced the doctrine of vertical integration and announced commencement this year of horizontal integration. The Navy intends to modernize the Reserve Tactical Air Squadrons as early as possible with the

introduction of F/A-18 and A6E aircraft. ROA applauds this initiative and strongly urges the Congress to support the Navy in this long overdue and most essential effort. For several years; new production aircraft have been received in the Air National Guard and the Air Force Reserve. The Naval Air Reserve can afford no less.

MARINE CORPS RESERVE

As I testified last year, the Marine Corps Reserve manpower requirements appear to have been quite well provided for in the FY 1983 budget request. As General Crist testified earlier before this committee, most problem areas have been addressed and corrective action provided for in the budget request.

ROA compliments the Marine Corps on their continuing recognition of the Reserve component. The Marine Corps Reserve Budget has reflected real growth every year since FY 1978, showing ten percent in FY 1981; eleven percent in FY 1982; and 6.7 percent programmed for FY 1983. Such consistent support unfortunately has not been evident in many of our other Reserve components throughout the past few years. This support has enabled Marine Corps Reserve manpower planning to meet the OSD Program Guidance. Current plans show the Marine Corps Selected Reserve will be at one hundred percent mobilization required strength by the end of FY 1986 - an outstanding achievement!

Grade and skill shortages are commencing to emerge as

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[illegible] problems in the Marine Corps Reserve. Initiatives [illegible] Marine Corps to ameliorate these [illegible] the Reserve components, however, Congress must provide additional incentives for Reserve recruiting and [illegible] if these problems are to be solved. The Marine Corps Reserve recorded a dramatic increase (almost 250 percent) in first quarter FY 1982 enlistments resulting from a [illegible] increase in the education bonus from $3000 to $4000. Concomitantly, enlistment and reenlistment bonuses have been insignificant incentive factors - due primarily to insufficient amounts and requirements to pro-rate over the [illegible]

The material readiness of the Marine Corps Reserve 4th Division/Wing Team is a matter of major concern. They simply don't have the necessary equipment, repair parts, consumables, etc., which they must have on mobilization. These kinds of items are always subject to quick deletion or reduction during the budget process because such action results in immediate cost savings. An already unsatisfactory situation was worsened even more by a ten to twelve percent reduction of these stocks to support the RDJTF Near Term Prepositioning Ships program. Unfortunately, the proposed administration budget does little to reduce the magnitude of this problem. The current shortfall is $684.2 million with a projected reduction to $653.5 million during FY 1982. The FY 1983 budget would only reduce the shortfall to $612.5 million. In fact, by FY 1987, the shortfall would still be $231.7 million. That figure is probably optimistic since experience indicates

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that matters of perceived higher priority continually arise and funds planned to reduce the stock shortage shortfall is diverted elsewhere.

Without an immediate effort to significantly reduce these shortages, the ability of the Marine Corps Reserve to perform effectively on mobilization is seriously in doubt and sustainability is out of the question. Accordingly, ROA strongly recommends that Congress take action during FY 1983 to rapidly accelerate the elimination of these shortages with a goal of total elimination by the end of FY 1985.

ROA strongly supports Marine Corps efforts to modernize the Reserve Ground Combat Forces. Current planning calls for the introduction over the next five years of the Mark 19 heavy machine gun; the Mark 198 howitzer; the lightweight 60mm mortar; the shoulder launched milti-purpose assault weapon (SMAW); and the high mobility multi-wheeled vehicle (HMMWV). We urge Congress to support these efforts and expedite this modernization process to the maximum extent feasible.

Much of what I stated earlier about the Naval Air Reserve applies equally to the Marine Air Reserve. The 4th Marine Air Wing is severely limited in its capability to augment and reinforce the active forces due to aging aircraft, aircraft shortages, incompatibility between active and Reserve aircraft and block obsolescence. Many Marine Air Reserve squadrons deploy to aircraft carriers upon moblization. The Marine Reserve aircraft would suffer the same lack of equipment support as would the

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Naval Reserve aircraft for the same reasons. Here again, we must start moving toward new procurement of identical equipment for both the Reserve and Active Duty Marine Corps.

As in the Navy, introduction of F/A-18 aircraft into the Marine Air Reserve should commence as soon as possible to replace aging and incompatible F-4s. The AV-8B Harrier should be procured for both active and Reserve Squadrons, replacing obsolete A-4E/Fs currently in the Reserve.

Congress has previously directed establishment of two Marine Air Reserve KC-130 aerial refueler/transport squadrons and further directed expedited procurement for this purpose. Four KC-130 aircraft were funded for the Marine Air Wing as add-ons by the FY 1982 Defense Appropriations Conference Committee. None are requested in the FY 1983 budget, therefore still leaving a total of 17 KC-130s to be procured to meet the Congressional mandate. ROA recommends procurement of four additional KC-130 aircraft for the Marine Air Reserve in FY 1983. However, since no such procurement has been authorized for FY 1983, the somewhat unusual procedure of last year may have to be repeated.

While there is a Marine Corps-wide critical shortage in AH-1 attack helicopters, the Reserve squadron only possesses eight of the 24 aircraft authorized. Current planning will bring the Reserve squadron to its authorized strength, but with aging aircraft. The urgent need is to increase the helicopter anti-armor capability to counter large numbers of mechanized and armored units which will be encountered on a high threat battle-

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field. Only the AH-1T (TOW) has an anti-tank capability. This is an ideal mission for the Reserve as the manpower, airfield and support facilities are available and the AH-1T requires 50 percent less maintenance than the aging AH-1J planned for the Reserve. Accordingly, ROA recommends that procurement of AH-1T helicopters begin immediately for the Marine Air Reserve and that the entire twenty-four aircraft Reserve Squadron be equipped with this helicopter as soon as feasible.

The Marine Corps has developed long range plans to upgrade the capabilities of the Marine Air Wing. The intent of these plans obviously is laudable. However, in almost all cases, they are far in the future and depend on too many variables. ROA strongly urges the Congress to immediately commence funding for this long overdue modernization program.

AIR FORCE RESERVE

The Air Force Reserve is in the best condition in its history since restructuring under Public Law 90-168. In FY 1981 it attained an end strength of 61,565 versus a programmed 60,754. Quality also increased by six percent, with 95 percent of all non-prior service enlistees high school graduates. The efficiency of the Reserve recruiting program as well as the dedication of all Reserve members is reflected in this accomplishment.

In FY 1983 an end strength of 66,000 is requested, a 5.5 percent increase over FY 1982. This reflects the military personnel

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requirements for aircraft modernization and additional flying and mission support units. It is gratifying to note that the Air Reserve forces provide approximately one-third of the total Air Force flying mission capability with only seven percent of the military personnel dollars. With the current pressures on the Defense Budget, it is obvious that the Air Reserve forces are a real bargain in the total force.

The Air Force Reserve is not only cost effective, it is a combat ready, fighting force. Exercise CONDOR REDOUBT 81 this past summer proved that all Air Force Reserve units can be mobilized in 24 hours and deployed within 72 hours. With the exception of five units undergoing aircraft modernization, all flying units are combat ready. The key to this superb state of readiness in meaningful missions, modern equipment, and realistic training.

The Air Force Reserve certainly has a full spectrum of meaningful missions, from airlifting more than 68,000 patients in FY 1981, to supporting the Space Shuttle mission, to officially saving 45 lives in rescue and recovery efforts. While much progress has been made in the second element, providing the Air Force Reserve with more modern aircraft, many problems still remain. The modernization of the Air Force Reserve's equipment must be looked at in the context of the modernization of the entire Air Force, since both the active and Reserve forces share the problems of block obsolescence and high operating costs of older aircraft. We ask, however, in looking at the force structure mix that the economics associated with Reserve Force equippage be considered.

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We appreciate that Congress has recognized the need for modern tactical airlift aircraft in the Air Reserve Forces by adding 38 C-130H aircraft to the DOD budget since 1978. However, only six of these aircraft have gone to the Air Force Reserve. Even these six are two short of the number needed to bring the receiving unit up to minimum strength.

A systematic program for replacing the seven C-130A model units in the Air Force Reserve should be established. The average C-130A aircraft in the Reserve is just under twenty-five years old. Without a replacement program now, we will face a crisis in future years. We support funding C-130H aircraft to modernize the Air Force Reserve.

In the tactical fighter mission, the Air Force Reserve is building from eight squadrons in FY 1981 to ten squadrons in FY 1983. Five of these units will be equipped with F-4 aircraft, four with A-10's and one with F-105's. The F-105 unit is programmed to receive F-16's in FY 1984.

While the F-4's are new to the Air Force Reserve, they are old aircraft. In fact, the F-4's replacing the F-105's at Carswell AFB average 4,620 hours of airframe time compared to 4,460 for the units' F-105's. The average age of the Air Force Reserve F-4's exceeds twelve years.

The cost of maintaining and operating these aircraft is considerably higher than for the F-16. For example, the fuel cost

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for an active force F-16 squadron is approximately $5 million per year less than for an F-4 unit. Total operations and support costs are almost 22 percent less for an F-16 equipped wing compared to an F-4 wing.

As with the C-130A, a comprehensive program for the modernization of the Air Reserve Force fighters is necessary. General Creech has testified that, as presently programmed, TAC will lose more fighters through attrition, than it will procure. Obviously, the shortfall in first line combat aircraft will continue to increase unless additional new aircraft are procured for the total force, active and reserve. It is estimated that the procurement cost per Air Force Reserve F-16 squadron would average $300 million in 1982 dollars.

A program to modernize the total fighter force should include full equippage of Reserve Force squadrons with twenty-four aircraft rather than eighteen. Total force structure can be increased with minimal overhead increases by bringing Air Force Reserve squadrons to full strength. This principal also applies to the tactical airlift force where many uits could easily handle an increase in authorized and assigned aircraft.

The third element of Air Force Reserve success, i.e., realistic training for mobilization, is dependent upon the dedicated citizen-airmen. Without their talent and personal sacrifice, the best of equipment will not produce mission readiness.

We should not overlook the contribution of the Individual Mobilization Augmentees (IMAs) to the Total Force. These fully

qualified individuals assist in the day-to-day mission of the Air Force while on inactive duty and active duty training periods. For example, intelligence IMAs support the Airborne Warning and Control System by analyzing Soviet electronic countermeasure systems. The IMA program is continuing to build with a requested average strength of 10,832 against a wartime requirement of approximately 18,615. This year increased emphasis will be placed on recruiting IMA's and bonuses will be used in selected enlisted skills.

Among the key personnel in maintaining mission unit readiness are the Air Reserve Technicians (ARTS). These dual status individuals provide the day-to-day management and continuity of their units while performing in their civilian capacity. As military members of the units, they train other Reservists during active and inactive duty training periods. The high skill level and stability of these employees is critical in sustaining the Air Force Reserve's operational readiness. We are concerned that the manning of this crucial program will suffer if the Air Force civilian ceilings are lowered, since the technicians are included in these ceilings. With the unit conversions to more modern aircraft scheduled for FY 1983, it is essential that adjustments be made to accomodate the requirement for increased numbers of technicians.

A related issue is the technicians "pay cap" imposed by the FY 1982 DOD Appropriations Bill. This restriction does not apply to other Federal Civil Service employees. To single out the

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ARTs, who perform two distinct roles for two distinct salaries, is unfair and sets a bad precedent. In the interest of maintaining mission readiness, provided in large part by these key management personnel, we urge the repeal of this counter-productive restriction. The money saved, $164,000 in the AFR, does not offset the damage done to sound personnel management and mission accomplishment.

Although programmed end strengths are being met, recruiting of qualified personnel in critical skills continues to be difficult. Current manning in the units in critical skills is 91 percent. With the FY 1982 incentive funds and the $2.9 million requested in FY 1983 for enlistment/reenlistment bonuses, recruiting and retention in critical skills should improve. The educational incentive program is another valuable tool in enlisting and retaining personnel with critical skills.

In summary, the Air Force Reserve's wartime role continues to expand. With continued equipment modernization and successful recruiting of the necessary people, the Air Force Reserve will continue to be a fully responsive, combat ready force.

CONCLUSION

I'd also like to mention an area of concern which applies to all of our Reserve Components. ROA noted last year that over unanimous service opposition, OSD had commenced incorporating fulltime support personnel and Individual Mobiliztion Augmentees into the Selected Reserve numbers. Such action appears to be

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clearly in violation of 19 USC 268 and 270 which specifically define the Selected Reserve and direct participation in at least 48 scheduled drills and 14 days of ACDUTRA each year.

Additionally, such procedure not only confuses all concerned by using existing terms for new definitions, but also artificially inflates Selected Reserve strength numbers, therby giving an erroneous impression of growth. OSD is still using this procedure and pointing to significant growth in the size of the Selected Reserve.

Much of this announced growth is merely the result of changing the bookkeeping and should not be viewed as significant growth in the "real" Selected Reserve. Such accounting procedures should be stopped, not only because of the apparent violation of statutory definition, but also because of the misleading impression of improved readiness resulting from such apparent strength increases. The House Armed Services Committee has directed OSD to submit a detailed report on this procedure which significantly increases the numbers in the Selected Reserve but which does not represent any increase in overall force manning. ROA recommends strongly that the Appropriations Committees also take a careful look at this practice.

Portal-to-Portal Coverage

ROA supports legislation introduced in the Senate by Senator Jackson (S. 757, S. 758 and S. 759) that would provide so-called "portal-to-portal" protection for drilling Reservists. As you know should a Reservist become violently ill during a weekend

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drill, the Department of Defense is not authorized under current law to pay for his medical care. Should he be injured on his way to or from drill, again, he is not authorized military medical care. The inequity is readily apparent when you consider that an individual on active duty would be covered in the circumstances just described. We urge Congress to rectify the current situation and provide these Reservists the proper coverage that they deserve for carrying out their military obligations.

G.I. Bill

ROA also supports legislation concerned with education which would improve quality and retention in both the Active and Reserve Forces. We are particularly interested in legislation that includes educational benefits for Reserve service, such as those contained in Representative Montgomery's H.R.1400 (with amendments) -- the improved "G.I. Bill". And we applaud and support Senator Chafee's Bill which would forgive certain civilian educational loans in return for service in the Armed Forces (S. 665). We believe it is important to look beyond today's excellent recruiting statistics. When the economy starts to improve, we'll have a recruiting problem. The benefits of a G.I. bill could help our Armed Forces -- Active and Reserve -- recruit and retain qualified personnel.

Retirement

ROA is greatly concerned over the Administration's proposals to once again change the method by which retired pay is adjusted

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to reflect increases in the cost of living. You are well familiar with the background: the elimination of the one percent kicker which had been added to compensate for lost purchasing power; the reduction from two adjustments a year to only one with the individual retiree absorbing the loss that had occurred during the previous calendar year; and now the Administration proposes using the lower of the future active duty pay raise percentage or the CPI increase, thus guaranteeing that the relative purchasing power of military retirees will decline in the future.

In addition to this proposal the Administration also recommends a cap on the pay raise of retirees so that their annuities are brought down to the level of annuities paid persons retiring under the latest pay scales. On first glance this appears to be fair; however, on closer examination we find that the reason such inversion exists is because previous Administrations had capped active duty pay and failed to permit it to keep pace with inflation. If the Administration is truly interested in fairness and equity it should propose a recomputation upward of those who retired prior to 1968 and thus did not benefit from the larger active duty pay raises that occurred in the late 60's and early 70's.

The two other proposals relating to retired pay, elimination of the lookback provision and the rounding down to the lower dollar, combine with the two provisions I have just discussed to convey a loud and clear message to the entire military community, both active and retired, that our government will breach its trust and, after accepting service rendered, will change the

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terms under which it compensates for that service. ROA believes that these proposals will have significant long-range implications, especially in the area of retention, and that the hidden costs of tampering with the military retirement system on a piecemeal basis should be thoroughly evaluated by the appropriate oversight committees of Congress before any changes are made in the current retirement program.

Health Care Personnel

As you are well aware, the 96th Congress enacted PL 96-284, which established special pay for active duty medical officers. We anticipate that this legislation will contribute significantly to the recruitment and retention of Health Care Professionals and thus reduce the shortages in this professional service. Unfortunately, the special pay established in PL 96-284 for active duty medical officers did not include the health professionals in the Reserve components where critical shortages also exist. Similar legislation is needed for the Reserve Forces health care personnel to overcome serious shortages in all the Services and to enhance their mobilization readiness. ROA believes that a special pay incentive program similar to PL 96-284 for the Reserve Components would help overcome one of the greatest obstacles in the recruitment and retention of qualified health care personnel.

Thank you for the opportunity to appear before you. Your support for the men and women in uniform, active and Reserve, is noteworthy and sincerely appreciated. I will be happy to answer any questions that you might have on these issues.

Captain SPARKS. Thank you.
Mr. MURTHA. Thank you, gentlemen.

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TUESDAY, AUGUST 10, 1982.

THE RETIRED OFFICERS ASSOCIATION

WITNESS

JOHN F. WANAMAKER, CDR, USN, RETIRED, DEPUTY DIRECTOR, LEGISLATIVE AFFAIRS

Mr. MURTHA. Our next witness is Commander John F. Wanamaker of The Retired Officers Association.

STATEMENT OF COMMANDER WANAMAKER

Commander WANAMAKER. I am Commander John Wanamaker, United States Navy, Retired Deputy Director, Legislative Affairs of The Retired Officers Association (TROA) which has its national headquarters at 201 N. Washington Street, Alexandria, Virginia. Our Association has a membership of over 315,000 former and active duty officers of the seven Uniformed Services. Included in our membership are approximately 35,000 widows of former members.

MILITARY HEALTH CARE SYSTEM

Last week, the subcommittee received testimony from Department of Defense witnesses on the subject of military medical care. We want to thank the committee now for allowing us this opportunity to provide the views of the beneficiaries, or users of the military health care system.

I believe that it's important for the committee to understand that retirees and those on active duty consider the health care benefits, for themselves and their dependents, the greatest benefit next to direct compensation itself. Health care becomes exceedingly more important as the beneficiaries grow older.

We are aware of the concerns of this committee over the high costs associated with military health care. Our members share this concern not only as taxpayers, but also because of the ever increasing cost of the member's share of CHAMPUS/Medicare reflected in the costs of supplemental insurance. In recent years, medical care costs have risen at rates exceeding the Consumer Price Index on which adjustments to retired pay are based. This results in a decreasing standard of living for aged retirees and their spouses when the costs for this age group exceeds the consumer population in general. On 1 July the premiums to provide supplemental insurance coverage for our members rose nearly twenty percent. By the way, our Association derives no income from our insurance program as we operate on the basis of membership dues only.

Our members provide a reliable source of feedback on the success or failure of the direct care system and the CHAMPUS medical

program. For many years medical care had been the subject of greatest complaint among our members. Mainly due to the shortage of health professionals and substandard equipment and facilities, many members registered their dissatisfaction with direct care. The CHAMPUS Program then was experiencing administrative problems and received considerable criticism from everyone including the beneficiaries, the health care providers, and the Congress. Now this situation has changed. For the past several years, we have received few legitimate complaints about the quality of medical care. As the administration of the CHAMPUS program has improved, more and more health care has been provided by the civilian sector.

DIRECT HEALTH CARE

Our Association has long supported the concept that direct care is the principal method through which health care should be provided to retirees and their dependents. Direct care is most cost effective, provides wartime reserve capacity in facilities as well as personnel, and provides a broad range of professional experience.

We believe it to be in the national defense interest to gradually shift back toward providing in-house direct health care to beneficiaries. I emphasized the word gradual because drastic measures generally cause turmoil. At the same time, under no circumstances do we want to reduce the effectiveness of the CHAMPUS Program for those many families who do not have access to military medical facilities and must rely solely on CHAMPUS for their health care. In order to accomplish this objective I believe it prudent for this committee to provide funding to expand the in-house capabilities.

This committee should require that all new hospital/clinic construction include capacity to provide for all expected beneficiaries including the active duty and retiree community.

We recommend the Medical Professional training program be expanded to insure availability of care by qualified personnel as beneficiaries are returned to the direct care system.

Continue funding the bonus/incentive pay program in order to retain the highly skilled medical professionals needed.

There still exists shortfalls in many categories and these deficiencies cannot be corrected overnight.

Mr. Chairman, I am sure that there are many other methods that can be applied to gradually return the greater share of the military health care back to the in-house direct care where it rightly belongs. You can be assured that this Association will support this effort.

There is currently in limbo the long range status of the Public Health Service that have now been designated Defense Health Care Facilities. Many of our retirees have been utilizing these excellent facilities for their health care requirements. Because of the uncertainties surrounding the future of these facilities, the staffs will begin to seek more secure long range employment. By forcing patients to accept care at a facility with decreasing morale will possibly ultimately result in a serious situation hazardous to the life of the patients.

I strongly urge this committee to resolve this problem quickly as serious consequences will surely develop.

Thank you, Mr. Chairman. I will try and answer any questions that the committee members may have.

Mr. MURTHA. Thank you very much, Commander.

Mr. Robinson?

Mr. ROBINSON. I have no questions, Mr. Chairman.

TUESDAY, AUGUST 10, 1982.

NAVAL RESERVE ASSOCIATION

WITNESS

CURTIN R. COLEMAN II, CAPT., PRESIDENT

Mr. MURTHA. The next witness is Captain Coleman, President of the Naval Reserve Association.

STATEMENT BY CAPTAIN COLEMAN

Captain COLEMAN. Mr. Chairman, committee members, I appreciate the opportunity to testify before you today on behalf of the Naval Reserve Association.

Opening, I can unequivocally say that this committee has done more for the Naval Reserve in the past seven or eight years than any committee or staff or office within or outside the Federal Government. Had it not been for your leadership, the Naval Reserve would be a mere skeleton of what it is today. For these accomplishments the Naval Reserve Association thanks the committee and asks for your continued support and guidance.

I wish to briefly summarize my testimony and ask that the complete testimony be made part of the record.

CONGRESSIONAL INITIATIVES

The Naval Reserve Association is encouraged by the increased interest shown in the Guard and Reserve by the Congress. Apparently there is more awareness on Capitol Hill as to the advantages of using Guard and Reserve assets in force planning than in the Pentagon.

The initiative taken by the two Armed Services Committees regarding equipment procurement and force planning for the Guard and Reserve is very heartening. It is hoped that these initiatives will survive the budget process since they offer more immediate force readiness and wartime fighting capability than many of the active force options.

MARITIME SUPERIORITY

Having said that, the Naval Reserve Association fully supports the Secretary of the Navy in his efforts to achieve "Martime Superiority" in the shortest possible time. However, the Association also believes there are significant savings to be made in reaching this goal by focusing on the most effective and economical way to do the job. The Naval Reserve can play an important role in effecting cost savings.

RESERVE STRENGTH

On the subject of Naval Reserve strength, now that everyone is finally on board with the Navy Manpower Mobilization System (NAMMOS), it is time to start building the Naval Reserve to its wartime requirement structure. The OSD planning guidance calls for all mobilization manpower requirements to be on board by end of Fiscal Year 1986. The House Armed Services Committee recognized that the requested Naval Reserve strength was well below the requirements and invited additional appropriations to bring the Naval Reserve strength up. The Naval Reserve Association plan calls for a steady, straight line increase to reach NAMMOS numbers by the end of Fiscal Year 1986 which OSD has set as a goal. We strongly recommend that the Committee fund for a 6,750 increase to the proposed Naval Selected Reserve drill end strength for Fiscal Year 1983 at an additional cost, over budget request, of $11.8 million. That would bring it up to 100,750.

We also request that the committee require the Defense Department to cease counting the Active Duty TARS (Training & Administration of Reserves) and the non-drilling pay Category "D" personnel in the Selected Reserve strength. Major Roberts alluded to this earlier.

As we explained in our full testimony, the OSD proposal distorts the strength figures and flaunts the statutory definition of the Selected Reserve.

AIRCRAFT MODERNIZATION

On the subject of the P-3A/B Tactical/Navigation Modernization, this program is essential to the Anti-Submarine defense of this nation. The modification, when installed in the Reserve P-3A/ Bs, improves the ASW capability of the aircraft by 75 percent and brings them up to a near baseline P-3C capability. I can think of very few weapons systems which can be so dramatically improved with so little outlay of money. We strongly urge this Committee's support of the P-3A/B TAC/NAV MOD program as outlined in our complete testimony.

On the subject of airlift modernization, the Naval Reserve Association has proposed a lease/buy of used DC-9 aircraft to provide an immediate solution to the very critical shortage of Tactical Airlift both for the Navy and Naval Reserve. The ability of the Naval Reserve to provide hands-on training for its personnel and to expand to wartime requirements depends largely on the availability of a quick response organic airlift capability. The used aircraft buy would provide an immediate, low cost solution to an acute problem for the next two or even three decades. The Navy has initiated a lease of four used DC-9s with in-house Fiscal Year 1982 money to get started in the program.

The Naval Reserve Association urges the Committee to endorse the purchase plan for used DC-9s as stated in the complete testimony.

NAVAL SURFACE RESERVE

On the subject of Naval Surface Reserve Due to Congressional guidance, almost exclusively that of this Committee, the Navy Surface Reserve is receiving considerable attention these days. NRA recommends that the Committee continue to hold firm on its guidance to the Navy concerning Operational Control of the NRF ships by the Chief of Naval Reserve and the use of TARs as the active duty portion of the NRF ship crews. The home porting policy for NRF ships also needs to be renovated. We have offered several suggestions to help alleviate the Navy manning and deployment problems including a modified overseas home porting policy.

NRA also strongly endorses the ARAPAHO testing program and requests the Committee support of the authorization action concerning ARAPAHO.

GUARD/RESERVE PROCUREMENT ACCOUNTS

On the subject of the Guard/Reserve Procurement Account, one of the most desirable and effective actions for improving the combat capability of the Guard and Reserve Forces which could be taken by this Committee would be to establish separate Guard and Reserve Procurement Accounts. Such action would provide a very visible indication of the emphasis on each specific component by the parent service and the Congress. It should also stop the wholesale movement of equipment into the active force while being charged against the Guard or Reserve. Congress could then insure that either new or used equipment was going to the Reserve Components in accordance with Congressional intention. We strongly urge the Committee to recommend the establishment of separate Reserve Component Procurement Accounts.

In summary, Mr. Chairman, it is obvious from past experience that if this country is ever going to benefit from the expertise and cost-effectiveness of the Guard and Reserve to anywhere near what the potential possibilities are, initiatives will have to continue to come from the Congress. The Services and the Office of the Secretary of Defense have all had a deep reluctance to take an objective look at possible additional contributions of the Guard and Reserve to the national defense effort. Even when new or additional tasks are given the Reserve Components, the necessary support to do the job is often lacking.

NRA PROPOSED ACTIONS

NRA has proposed several actions which it believes could be taken to conserve funds and yet produce higher wartime readiness. In addition to those already included in my oral testimony we recommend that the Navy and the Congress consider using the Reserve Air Wings as the 13th and/or 14th Navy Air Wings for the additional battle groups. The aircraft would have to be modernized but both the personnel and organization are already in place.

The Secretary of the Navy has commenced actions to modernize the Surface Reserve, and for the Naval Air Reserve with the introduction of current fleet aircraft. However, we have a long way to go to make up for years of neglect.

Mr. Chairman, the American public will probably continue to support the much needed build-up in the military posture if it can see that everyone in the Legislative and Executive Branches is doing his or her part to improve combat effectiveness at the lowest possible cost. The Naval Reserve Association strongly believes this can be best accomplished by greater use of the Guard and Reserve in defense planning. This is particularly true in the Navy. The Naval Reserve Community has the experience, the desire and the potential to assume a significantly greater role in the total Navy structure at much less cost than is presently projected.

For the most part, the capability is there if the support is provided. When the Reserve components have been manned and equipped and then have been called, they have performed admirably in combat and in combat support roles. Congressional support for the Guard and Reserve will be repaid many times in cost-effective wartime capable assets.

Thank you, Mr. Chairman.

[The statement of Curtin R. Coleman II, follows:]

STATEMENT BY

CAPTAIN CURTIN R. COLEMAN II

U.S. NAVAL RESERVE

PRESIDENT

OF THE

NAVAL RESERVE ASSOCIATION

TO THE

DEFENSE SUBCOMMITTEE

OF THE

HOUSE APPROPRIATIONS COMMITTEE

FY 1983 DEFENSE APPROPRIATIONS BILL

10 AUGUST 1982

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Captain Curtin R. Coleman II, USNR-R

Captain Coleman is the NRA National President, elected in October 1981. He currently resides in Fort Lauderdale, Florida.

CIVILIAN EMPLOYMENT

1949-51 Attorney at Law, W. Palm Beach, Florida
1951-53 Active Duty USN
1953-55 Attorney at Law, Fort Lauderdale, Florida
1955- Senior Partner, Law Firm, Fort Lauderdale, Florida

PUBLIC OFFICES

1956-60 Florida Board of Social Welfare
1960-61 Ass't State Attorney (Florida)
1979- Vice Chairman, Judicial Nominating Commission, 4th District Court of Appeal (Florida)

EDUCATION

Public Schools; Atlanta, GA - Anniston, Ala.
Baylor Prep. School 1940, Chattanooga, Tenn.
University of Virginia, BA 1944
University of Virginia, LL.B 1949

MILITARY SERVICE

Captain Coleman was commissioned an Ensign, USNR from the University of Virginia in 1944. After receiving his commission he served in three major campaigns in the Western Pacific Theatre. He was released from active duty in 1946 while serving as the Commanding Officer, USS STRICKLAND (DE-333).

He returned to active duty during the Korean conflict in 1951 and was released to inactive duty in 1953 while serving as Operational Intelligence Officer and Intelligence War Plans Officer on the staff of Commandant SIXTH Naval District. Since 1953 he has served in many Reserve intelligence billets including Commanding Officer, Naval Reserve Intelligence Division 6-1 (entire 6th Naval District) (1972-1974) and Reserve Intelligence Area Coordinator (Florida - Puerto Rico) for combined Air and Surface Intelligence Programs (1974-1977). For his service as Reserve Intelligence Area Coordinator he was awarded the Meritorious Service Medal. He also served a temporary tour of active duty to participate in "Operation Homecoming" in 1973.

COMMUNITY ACTIVITIES

Among many other Community activities Captain Coleman has served on the CNO/Commandant Sea Power Speakers Team, Board of Directors of the Fort Lauderdale Council, Navy League, Chamber of Commerce, Governor's Advisory Committee and as a member of the Florida Bar, American Bar Association, International Bar Association and American Judicature Society..

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MR. CHAIRMAN, COMMITTEE MEMBERS, THE NAVAL RESERVE ASSOCIATION THANKS YOU FOR THE OPPORTUNITY YOU HAVE PROVIDED US TO TESTIFY BEFORE YOU TODAY. OUR ASSOCIATION IS VERY APPRECIATIVE OF YOUR SUPPORT AND WE LOOK FORWARD TO WORKING WITH THIS COMMITTEE TO PROVIDE THE MAXIMUM DEFENSE CAPABILITY AVAILABLE FOR THE DOLLARS APPROPRIATED.

THE NAVAL RESERVE ASSOCIATION HAS BEEN VERY DISAPPOINTED WITH THE ADMINISTRATION'S LACK OF FOLLOW-THROUGH ON THE CAMPAIGN AND CONFIRMATION STATEMENTS OF PRESIDENTIAL CANDIDATE REAGAN AND SECRETARY OF DEFENSE DESIGNEE CASPER WEINBERGER. BOTH SPOKE OF THE IMPORTANCE OF THE GUARD AND RESERVE IN THE DEFENSE STRUCTURE AND PLEDGED TO BUILD-UP THE RESERVE COMPONENTS. MR. WEINBERGER STATED THAT THE GUARD AND RESERVE SHOULD, WITHOUT ANY QUESTION, BE STRENGTHENED, PARTIALLY BY GETTING THEM EQUIPMENT THEY WOULD BE USING IN COMBAT. HE ALSO OBSERVED THAT SOME OF THE RESERVE UNITS COULD ALREADY OUTPERFORM THOSE OF THE ACTIVE FORCE AND ADDED THAT, TRADITIONALLY, WE HAVE DEPENDED UPON THE GUARD AND RESERVE AND THAT TRAINED RESERVES ARE NECESSARY FOR A RAPID EXPANDIBLE FORCE.

LAST YEAR THE GUARD AND RESERVE ADD-ONS TO THE BUDGET IN THE AUTHORIZATION BILL WERE, FOR THE MOST PART, DELETED IN THE AUTHORIZATION CONFERENCE AT THE INSISTENCE OF SECRETARY WEINBERGER. THIS YEAR WE SEE NO CHANGE IN THE ATTITUDE THAT HAS EXISTED IN DOD FOR YEARS. WE MADE A STATEMENT LAST YEAR WHICH BEARS REPEATING TODAY, AND I QUOTE, "WORDS WHICH LAVISHLY AND PROFUSELY POUR FORTH IN SUPPORT OF THE RESERVE AND GUARD DO NOT COST MONEY, WHILE PEOPLE, EQUIPMENT AND TRAINING DO" UNQUOTE.

THERE HAS BEEN NO INCLINATION ON THE PART OF DOD TO CONDUCT, OR HAVE CONDUCTED, IN-DEPTH LOOKS AT POSSIBLE WARTIME ROLES, MISSIONS AND TASKS WHICH COULD BE

ASSIGNED TO THE GUARD AND RESERVE AT CONSIDERABLE DOLLAR SAVINGS. FORTUNATELY, THE HOUSE ARMED SERVICES COMMITTEE (HASC) DIRECTED THE SECRETARY OF DEFENSE TO REPORT BY NOVEMBER 30, 1982 ON WHAT ADDITIONAL MISSIONS CAN BE PERFORMED BY RESERVE PERSONNEL. ANOTHER ISSUE IS THE SHORTAGE OF EQUIPMENT IN THE G/R UNITS. IT IS CRIMINAL TO EXPECT SOME OF THE PRESENT UNITS TO GO INTO COMBAT WITH THE OBSOLETE EQUIPMENT ON HAND. NRA APPRECIATES THE EFFORTS OF THE CONGRESS TO CORRECT SOME OF THE EQUIPMENT SHORTFALLS IN THE G/R. IT WAS PARTICULARLY APPRECIATED DURING LAST YEAR'S BUDGET PROCESS AND WE SOLICIT YOUR SUPPORT TO FUND G/R EQUIPMENT PROVIDED FOR IN THE DEFENSE AUTHORIZATION BILL.

SECRETARY WEINBERGER ISSUED A MEMORANDUM TO THE SERVICE SECRETARIES AND THE CHAIRMAN, JOINT CHIEFS OF STAFF ON 21 JULY 1982 WHICH DIRECTED THE ADDRESSEES TO DO ALL THE GOOD THINGS WHICH RESERVE COMPONENT SUPPORTERS HAVE BEEN ADVOCATING FOR YEARS. THE GUIDANCE TELLS THE ADDRESSEES TO EQUIP RESERVE AND ACTIVE UNITS ON A FIRST TO FIGHT, FIRST TO EQUIP BASIS. IT ALSO INSISTS UPON COMPATIBLE EQUIPMENT FOR UNITS SERVING ON THE SAME BATTLEFIELD. THE MEMORANDUM, BASICALLY, IS A FOLLOW-ON TO THE LAIRD MEMOS OF 1969 AND 1970 AND THE SCHLESINGER MEMO OF 1973 CONCERNING TOTAL FORCE POLICY AND EQUIPPING POLICY. ONE KEEPS HOPING THAT SOONER OR LATER THE WORDS WILL BE TRANSLATED INTO POSITIVE ACTIONS. WE HOPE THE COMMITTEE WILL LEND SUPPORT TO THE WEINBERGER MEMO WITH ADDITIONAL GUIDANCE OF ITS OWN.

NRA IS PLEASED WITH THE STRONG BIPARTISAN EFFORT TO SHORE UP THE DEFENSE ESTABLISHMENT. HOWEVER, WE BELIEVE, AS THE HASC APPARENTLY DOES ALSO, THAT MORE THOUGHT AND PLANNING SHOULD BE DEMANDED ON THE PENTAGON'S PART AS TO WHERE THE RESERVE COMPONENTS CAN DO THE JOB AND SAVE CONSIDERABLE MONEY AT THE SAME TIME.

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WE PARTICULARLY APPRECIATE THE LEADERSHIP ROLE THIS COMMITTEE HAS TAKEN IN SUPPORT OF THE RESERVE COMPONENTS. MAINTAINING A HUGE STANDING ARMY, NAVY AND AIR FORCE IS TREMENDOUSLY EXPENSIVE AND ANY PORTION OF THAT FORCE WHICH CAN BE ASSUMED BY A RESERVE COMPONENT IS THAT MUCH LESS OF A BURDEN TO THE TAXPAYER. THE PUBLIC MOOD SEEMS TO SUPPORT A BUILD-UP IN OUR DEFENSE ESTABLISHMENT BUT IT WILL NOT TOLERATE NON-ESSENTIAL OR WASTEFUL SPENDING. HOW MUCH EASIER IT WOULD BE TO KEEP A BALANCED STRUCTURE IN DEFENSE IF THE GUARD AND RESERVE WERE TREATED IN A MORE EVEN-HANDED MANNER. THE LARGER THE GUARD AND RESERVE CONTRIBUTION, THE MORE THE SUPPORT FROM THE CITIZENRY.

NRA SUPPORTS THE THESIS THAT THE GUARD AND RESERVE, PROPERLY SUPPORTED, IS THE BEST DEFENSE BUY AVAILABLE TODAY.

THE NAVAL RESERVE ASSOCIATION FULLY SUPPORTS THE SECRETARY OF THE NAVY AND THE CHIEF OF NAVAL OPERATIONS IN THEIR EFFORTS TO ACHIEVE MARITIME SUPERIORITY IN THE SHORTEST POSSIBLE TIME. THE ASSOCIATION ALSO BELIEVES THERE ARE SIGNIFICANT SAVINGS TO BE MADE IN REACHING THIS GOAL BY FOCUSING ON THE MOST EFFECTIVE AND ECONOMICAL WAY TO DO THE JOB.

MR. CHAIRMAN, THE RECOMMENDATIONS MADE TODAY BY THE NAVAL RESERVE ASSOCIATION, IF FUNDED, WILL PROVIDE NOT ONLY CONSIDERABLE DOLLAR SAVINGS IN THE LONG TERM BUT WILL IMPROVE THE READINESS OF THE NAVY IN THE NEAR TERM. THE ISSUES COVERED IN THIS TESTIMONY INCLUDE:

- NAVAL RESERVE STRENGTH
- P-3A/B TACTICAL NAVIGATION MODERNIZATION (TAC/NAV MOD)

- o Tactical Airlift Modernization
- o Naval Surface Reserve
- o Guard and Reserve Procurement Accounts

NRA has made certain assumptions which it hopes will be considered by the Committee, the Congress and the Navy. These include, the assignment of the two Naval Reserve Air Wings as the 13th and/or 14th Navy Air Wings for the wartime Battle Groups, the acknowledgement of the critical wartime role of the Reserve Maritime Patrol Air Squadrons, and, the requirement for a quick response airlift for the Navy Fleet Commanders in wartime as well as the active and reserve unique support requirements in peacetime.

Also included after the body of the testimony are Fact Sheets on Naval Reserve Strength, Reserve P-3A/B TAC/NAV MOD and Navy Airlift Modernization in order to permit a quick review of those subjects.

Note - In the discussion in favor of an increased Naval Reserve strength it should be noted that the Naval Reserve Association (NRA) will be using drilling reservists numbers. OSD has, in order to inflate the Reserve numbers, proposed to include active duty support personnel and Category D (non-drilling) reservists in its Selected Reserve strength proposal for FY 83 and the out years. This means that the active duty support personnel are double counted, (active and reserve), and the non-drillers are counted in the Selected Reserve numbers. NRA believes this proposal is contrary to statute and to the Congressional intent when the law was written. Consequently, NRA figures contained herein DO NOT include the active duty support personnel numbering 12,038 TAR

(Training and Administration, Reserve) personnel and 550 Category "D" Individual Mobilization Augmentee (IMA) Personnel. The additional funds recommended are for drilling reservists as validated in the Navy Manpower Mobilization System (NAMMOS). Drilling reservist figures in this testimony DO NOT include the TARs or IMA Category "D" personnel.

Naval Reserve Strength

The strength of the Naval Reserve Force has been a controversial issue since the first successful foray by the OSD budget analysts chopped over 12,000 billets from the Navy's recommended strength of 129,000 for FY 1974. The OSD meat axe approach continued, cutting the Naval Reserve authorized strength to 87,000 in fiscal year 1978, until stemmed through counteractions by the Congress, NRA and other Naval Reserve supporters.

It appears now that through these counter efforts, the Navy Selected Reserve strength is commencing a gradual rise back towards the Navy Manpower Mobilization System, (NAMMOS), wartime requirements of 120,931 drilling reservists by the end FY 1986. Although the new Administration has not authored any initiatives to increase the NR strength to any appreciable degree, the Congress seems quite willing to support the Navy's wartime requirements for its Reserve Force. This was evidenced by the affirmative actions taken by the Appropriations Committees in approving the funding for a 92,000 NR in FY 1981 and for 94,000 in FY 1982. Additionally, the House Armed Services Committee raised the NR strength to 90,000 from the 87,000 submitted in the FY 1982 budget (later dropped out of the Authorization Conference) and directed that a report be submitted by OSD, with Navy input,

STATING ITS ACCEPTANCE OR NONACCEPTANCE BY OSD OF THE NAVY MANPOWER MOBILIZATION SYSTEM (NAMMOS).

THE EVALUATION AND CONCLUSION REGARDING NAMMOS REACHED BY OSD AND REPORTED TO THE CONGRESS CAN BE SUMMARIZED AS FOLLOWS:

(1) OSD ACCEPTS NAMMOS AS AN AUTHORITATIVE AND POWERFUL TOOL TO ESTIMATE TIME-PHASED WARTIME MANPOWER REQUIREMENTS AND THE BEST MIX OF SOURCES AVAILABLE TO SATISFY THE MANPOWER REQUIREMENTS.

(2) NAMMOS IS A PROCESS WHICH IMPROVES WITH CONTINUING USE. IT IS A BIG STEP FORWARD AND OSD WHOLEHEARTEDLY SUPPORTS THE NAMMOS CONCEPT.

(3) ALTHOUGH OSD SUPPORTS NAMMOS IT DOES NOT NECESSARILY SUPPORT ALL THE NAMMOS NUMBERS.

(4) WITHIN THE CONSTRAINED PEACETIME BUDGET, NAVAL SELECTED RESERVE MANPOWER MUST BE CONSIDERED AND PRIORITIZED ALONG WITH OTHER RESOURCE NEEDS. OSD CONCLUDED THAT THE NAVY, WITH OSD PARTICIPATION, HAS DONE AN EXCELLENT JOB IN DEVELOPING NAMMOS, AN ENDEAVOR THAT OSD APPLAUDS.

THE NAVAL RESERVE ASSOCIATION BELIEVES THAT A SIGNIFICANT HURDLE HAS BEEN CROSSED WITH OSD'S ACCEPTANCE OF THE NAMMOS EVEN THOUGH SOME OF THE LANGUAGE APPEARS TO BE WRITTEN IN ORDER TO KEEP FUTURE OPTIONS OPEN. ADMIRAL HAYWARD, THE CNO AT THAT TIME, STATED AT THE NRA CONFERENCE IN ALBUQUERQUE, BACK IN OCTOBER 1981, THAT HE FULLY SUPPORTED NAMMOS, BUT THAT HE NEVER FUNDED ANYTHING AT 100%. THE PRESENT NAVY PLAN FOR INCREASED NR STRENGTH REACHES 98,654 BY FY 1987. A COMPARISON BETWEEN THAT PLAN AND ONE CALLED FOR BY OSD AND NAVAL RESERVE ASSOCIATION FOLLOWS A BIT LATER IN THIS SECTION.

THE NAVY PLAN FOR THE LOW AND SLOW INCREASE TO WELL BELOW THE NAMMOS REQUIREMENTS IS REPORTEDLY GUIDED BY WHAT SOME CALL ATTAINABILITY. NRA HAS NOT SEEN ANY CONVINCING EVIDENCE THAT THERE CANNOT BE A SIGNIFICANT INCREASE IN THE NR STRENGTH TO NAMMOS NUMBERS. TO THE CONTRARY, IT IS BELIEVED THAT A CONTINUED PHASED CLIMB TO THE REQUIREMENT IS FEASIBLE AND VERY DESIRABLE IF THE STATED OSD/NAVY WARTIME MOBILIZATION REQUIREMENTS ARE VALID. WHILE IT IS TRUE THAT ALL REQUIREMENTS MUST BE PRIORITIZED, IT IS ALSO A FACT THAT IT IS MUCH LESS EXPENSIVE TO FUND RESERVES IN PEACETIME FOR A WARTIME MISSION THAN TO FINANCE THEM IN THE ACTIVE FORCE. FAILURE TO AUTHORIZE AND TO PROVIDE FUNDING FOR A GRADUAL INCREASE IN NR STRENGTH TO MEET WARTIME REQUIREMENTS BY 1986 APPEARS TO BE UNWISE AND CONTRARY TO THE NATIONAL DEFENSE EFFORT.

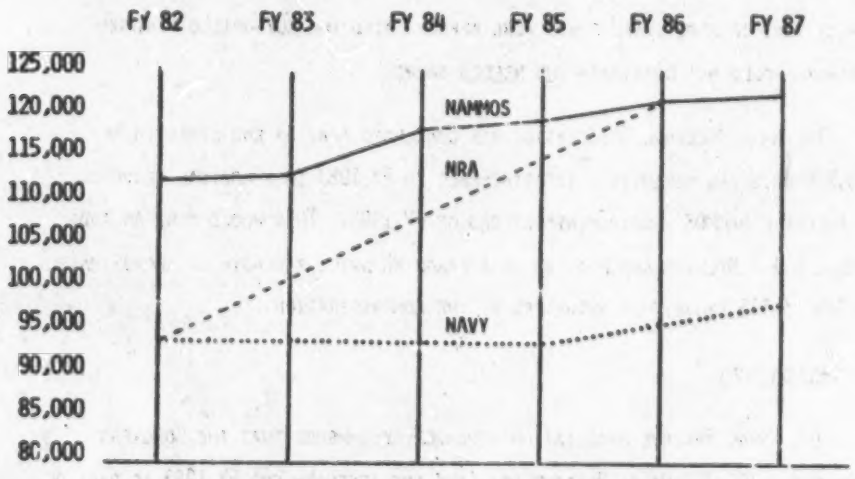
SEVERAL FACTORS NEED TO BE REMEMBERED WHEN DISCUSSING WARTIME REQUIREMENTS:

THE SELECTED NAVAL RESERVE IS THE ONLY SOURCE OF TRAINED MANPOWER IMMEDIATELY AVAILABLE TO AUGMENT THE ACTIVE NAVY IN THE EVENT OF WAR, NATIONAL EMERGENCY, OR FOR OTHER CONTINGENCIES WHICH WOULD REQUIRE USING PRESIDENTIAL AUTHORITY TO CALL UP AS MANY AS 100,000 SELECTED RESERVISTS FOR A 90-DAY PERIOD.

IN ADDITION TO THE NAMMOS REQUIREMENT, THE NAVY IS, AND HAS BEEN FOR ALMOST A DECADE, SHORT OF MANY SKILL RATINGS TO MAN THE ACTIVE FORCE SHIPS. IT IS NOT A STATED RESERVE MISSION AT THIS TIME TO HELP MEET THIS SHORTAGE WHICH, AT THE PRESENT TIME, NUMBERS APPROXIMATELY 22,000. ALTHOUGH IT IS UNDERSTOOD THAT THERE IS A MOVEMENT TO IDENTIFY PERSONNEL IN THE INDIVIDUAL READY RESERVE (IRR) AND THE FLEET RESERVE TO MEET SOME OF THE SHORTAGES, THE PROGRESS SEEMS AGONIZINGLY SLOW.

THE PROGRAM GUIDANCE MEMORANDUM (PGM) BY OSD DIRECTS THAT ALL MOBILIZATION MANPOWER REQUIREMENTS BE SATISFIED BY END OF FY 1986. THE FOLLOWING QUOTE IS AN UNCLASSIFIED EXCERPT FROM THE PGM "...OUR WARTIME MANPOWER SUSTAINABILITY OBJECTIVE IS TO BE ABLE TO SATISFY ALL EXPECTED MOBILIZATION MANPOWER DEMANDS. THE SERVICES AND DEFENSE AGENCIES SHOULD PROGRAM RESOURCES SUCH THAT, BY END - FY 1986, THEY WILL POSSESS THE INVENTORIES, PLANS AND PROCEDURES NECESSARY TO SATISFY THE PROJECTED DEMANDS FOR BOTH MILITARY AND CIVILIAN MANPOWER THROUGH AT LEAST SIX MONTHS OF A (POSSIBLE) WORLDWIDE CONFLICT WITH THE SOVIET UNION...."

THE FOLLOWING CHART SHOWS THE PRESENT PROPOSALS OF NAVY AND NRA IN RELATION TO THE NAMMOS WARTIME REQUIREMENTS BY FISCAL YEAR:



NAMMOS	112,400	113,400	117,398	118,925	120,931	121,187
NAVY	94,000	94,000	94,000	94,000	95,400	98,650
NRA	94,000	100,750	107,500	114,250	121,000	121,187

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THERE IS SOME CONSTERNATION WITHIN NAVY CIRCLES ABOUT NOT BEING ABLE TO MEET THE NAMMDS NUMBERS IN THE OUT YEARS. HOWEVER, THE RECRUITERS HAVE NOT BEEN PUT TO THE TEST FOR MANY YEARS. THE YEARS FROM FY 1973 TO FY 1982 HAVE BEEN A TIME OF DECLINING STRENGTH ENDING WITH A STABLE PERIOD OF TWO YEARS. THERE ARE A NUMBER OF INITIATIVES THAT COULD BE TAKEN TO AID IN FILLING THE WARTIME STRENGTH REQUIREMENTS. IT IS CERTAINLY INCUMBENT ON ALL PARTICIPANTS IN WARTIME PLANNING TO PROVIDE FOR ADEQUATE FORCES TO THE BEST OF THEIR ABILITY.

THE HOUSE ARMED SERVICES COMMITTEE, WHILE NOTING THAT THE REQUIRED NAVAL RESERVE STRENGTH WAS CONSIDERABLY ABOVE THAT REQUESTED, NEVERTHELESS WAS RELUCTANT TO SET A MINIMUM NAVAL RESERVE STRENGTH ABOVE THAT RECOMMENDED BY THE ADMINISTRATION BECAUSE OF ITS CONCERN THAT THE INCREASED STRENGTH COULD NOT BE ATTAINED BY THE NAVY. HOWEVER THE HASC REPORT INCLUDED A STATEMENT TO THE EFFECT THAT IF ADDITIONAL FUNDS WERE APPROPRIATED THE AUTHORIZED MINIMUM STRENGTH WOULD NOT CONSTRAIN THE NEEDED GROWTH.

THE NAVAL RESERVE ASSOCIATION HAS CONCLUDED THAT AN END STRENGTH OF 100,750 DRILLING RESERVISTS IS ATTAINABLE IN FY 1983 IN A LOGICAL SEQUENCE TO FULLFILL NAMMDS REQUIREMENTS BY END OF FY 1986. THIS WOULD COST AN ADDITIONAL $11.7 MILLION AND PROVIDE AN AVERAGE NR DRILL STRENGTH OF APPROXIMATELY 97,375, 3,375 ABOVE THAT REQUESTED BY THE ADMINISTRATION.

RECOMMENDATION:

THE NAVAL RESERVE ASSOCIATION STRONGLY RECOMMENDS THAT THE CONGRESS FUND FOR A 100,750 NAVAL RESERVE DRILLING END STRENGTH FOR FY 1983 AS PART OF A GRADUAL INCREASE IN NAVAL SELECTED RESERVE STRENGTH TO THE NAMMDS FIGURE TO BE REACHED BY END OF FY 1986. (AVERAGE DRILL STRENGTH 97,375) THE ADDITIONAL

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COST OVER THE BUDGET FOR FY 1983 IS $11.8 MILLION. FURTHER, THAT THE CONGRESS DIRECT THE DEFENSE DEPARTMENT TO CEASE COUNTING ACTIVE DUTY SUPPORT PERSONNEL AND CATEGORY "D" NON-DRILLERS IN THE SELECTED RESERVE STRENGTH.

P-3A/B TACTICAL NAVIGATION MODERNIZATION (TAC/NAVMOD)

THE TAC/NAV/MOD PROGRAM IS A TOP PRIORITY FOR THE NAVAL RESERVE. THE 13 RESERVE MARITIME PATROL (VP) SQUADRONS CONSTITUTE 35% OF THE TOTAL NAVY MARITIME PATROL AIRCRAFT (MPA) FORCE, OVER ONE THIRD OF THE MOST EFFECTIVE COUNTER WEAPON THE NATION POSSESSES TO COMBAT THE SOVIET SUBMARINE THREAT.

THE NAVY, THROUGH A PROGRAM OF UPGRADING AND MODERNIZATION, HAS BEEN ABLE TO KEEP ITS MARITIME PATROL AIRCRAFT UP TO THE STATE OF THE ART FROM 1945 WHEN THE P-2 NEPTUNE WAS FIRST INTRODUCED TO THE MID-1990S WHEN THE P-3 ORION IS SCHEDULED TO BE PHASED OUT.

THROUGH AN UNFORTUNATE SERIES OF EVENTS, HOWEVER, ONLY A FEW OF THE NAVAL RESERVE P-3A/B AIRCRAFT HAVE BEEN UPGRADED WITH THE TACTICAL/NAVIGATION MODERNIZATION PACKAGE. THIS PACKAGE TAKES A BASIC P-3A/B AIRCRAFT AND BRINGS IT UP TO A NEAR BASELINE P-3C CAPABILITY. THE PROGRAM ADDS TACTICAL NAVIGATION COMPUTER, TACTICAL DISPLAY, OMEGA NAVIGATION AND THE VERNIER AQA-7 SENSOR. THE LOCALIZATION PERFORMANCE AND THE ABILITY OF THE MODIFIED AIRCRAFT TO MEET ATTACK CRITERIA AND EFFECTIVELY DELIVER WEAPONS ARE SIGNIFICANTLY IMPROVED. ONE RELIABLE ESTIMATE ESTABLISHED THE IMPROVEMENT IN CAPABILITY AT 75%.

IT IS VERY OBVIOUS TO ANY QUALIFIED ANALYST THAT THE RELATIVELY MODEST COST ADDRESSED IN THIS ISSUE TO SIGNIFICANTLY IMPROVE A WEAPONS SYSTEM, CRITICAL TO THE NATION'S DEFENSE, IS MONEY WELL SPENT. CONVERSELY, IT WOULD

BE GROSS NEGLIGENCE ON OUR PART TO ACCEPT THE LESSER CAPABILITY OF THE NON-MODERNIZED AIRCRAFT UNLESS WE WERE TO GAMBLE THAT WE DID NOT NEED A MODERN WEAPON SYSTEM TO COMBAT THE MOST FORMIDABLE SUBMARINE FORCE IN HISTORY.

THE NON-MODERNIZED AIPCRAFT HAVE, (WITHOUT A JURY RIGGED NAVIGATION SYSTEM), LOST THEIR CAPABILITY TO OPERATE IN AN OPEN OCEAN ASW ENVIRONMENT. LORAN CHARLIE, WHICH IS THE LAND BASED REPLACEMENT FOR THE DECOMMISSIONED LORAN ALPHA SYSTEM, IS NOT SATISFACTORY FOR WORLD-WIDE COVERAGE AND IS, AT BEST, A BACK-UP SYSTEM FOR ASW MISSIONS. LORAN IS ALSO AN EXTERNAL SOURCE SYSTEM AND IS SUBJECT TO SHUTDOWN BY OUTSIDE INTERESTS IN A WARTIME SITUATION.

LAST YEAR BOTH AUTHORIZATION BILLS INCLUDED AN ADD-ON FOR $30.3 MILLION TO STEP UP THE BUY OF THE TAC/NAVMOD KITS FOR RESERVE AIRCRAFT FROM THE ADMINISTRATION'S SUBMISSION OF 15 AIRCRAFT TO 36 P-3A/Bs AS PROPOSED BY NRA. THE ADD-ON WAS DELETED FROM THE AUTHORIZATION BILL BY THE CONFERENCE COMMITTEE AT THE INSISTENCE OF OSD. TO COMPOUND MATTERS, AND BECAUSE OF THE LATE DELETION OF THE ADD-ONS BY THE CONGRESS, NAVY DID NOT INCLUDE ANY MODIFICATIONS IN THE FY 1983 PROPOSED BUDGET.

OF THE 134 P-3A/B AIRCRAFT IN THE NAVAL RESERVE, ONLY 63 HAVE BEEN MODIFIED. THE NAVY ORIGINALLY DID NOT PLAN TO MODIFY ALL RESERVE P-3A/Bs, REASONING THAT THE P-3Bs FROM THE ACTIVE FORCE, ALREADY MODIFIED, WOULD MIGRATE TO THE RESERVE FORCE AND THAT A THREE TO FOUR YEAR PERIOD, WHERE UP TO 29 AIRCRAFT IN THE RESERVE INVENTORY WOULD BE UNMODIFIED, WAS AN ACCEPTABLE RISK. THE NAVY'S DECISION TO LOWER THE PROCUREMENT RATE OF THE P-3C OVER THE NEXT FIVE YEARS MAKES IT EVEN MORE IMPORTANT TO INCORPORATE THE TAC/NAVMOD SYSTEM IN ALL THE RESERVE BIRDS.

THE NAVY PROPOSAL TO LOWER THE P-3C PROCUREMENT FROM 12/YEAR TO FIVE PER YEAR IS UNFORTUNATE OVER THE LONG HAUL FOR SEVERAL REASONS: (1) IN ORDER TO KEEP FROM HAVING TO DISESTABLISH VP SQUADRONS COMMENCING IN THE EARLY 1990s A PROCUREMENT INCREASE TO 20 P-3Cs WOULD BE REQUIRED, (2) AN INCREASE TO THE 20 AIRCRAFT/YEAR WOULD RESULT IN THE SAVINGS OF APPOXIMATELY 10% IN COSTS OVER THE PROJECTED 12/YEAR SCHEDULE, THE DECREASE WILL ACTUALLY INCREASE THE UNIT COST, (3) NO FOLLOW-ON VP AIRCRAFT IS YET ON THE R&D BOARD, AND (4) SINCE THE PRESENT VP FORCE DOES NOT MEET PROJECTED WARTIME REQUIREMENTS A CUTBACK IN AN ALREADY INADEQUATE PROCUREMENT PLAN SERIOUSLY COMPOUNDS THE PROBLEMS OF FULFILLING THE REQUIRED COMMITMENT IN THE OUT YEARS.

RECOMMENDATION:

NRA PROPOSES, THEREFORE, THAT THE CONGRESS FUND, ON A MULTI-YEAR BASIS, THE TAC/NAVMOD TO THE 71 REMAINING NAVAL RESERVE P-3A/B AIRCRAFT ON AN EXPEDITIOUS BASIS, (FY83 AND FY84), THUS PROVIDING THE NATION WITH THE MOST CAPABLE WEAPON SYSTEM AVAILABLE IN THE SHORT TERM AT A VERY REASONABLE COST TO THE TAXPAYER.

RESERVE P-3A/B TAC/NAVMOD

(COST IN $ MILLIONS, FY 83 DOLLARS)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
KITS PROCURED	14	0	34	15		
PROCUREMENT REQUIRED					36	35
(COST)*					(50.4)	(49.0)
UNMODIFIED A/C	120	120	86	71	35	-0-

* BASED ON MULTI-YEAR PROCUREMENT. (NAVY INSTALLATION CAPABILITY IS 36/YEAR).

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NAVY AIRLIFT MODERNIZATION

THE MODERNIZATION OF THE NAVY'S AIRLIFT CAPABILITY SEEMS TO BE THE LONGEST AND MOST PERSISTENT PROBLEM BEING ADDRESSED BY THE NRA TODAY.

EVER SINCE THE LATE 1960S THERE HAS BEEN A RUNNING BATTLE BEING WAGED BETWEEN NAVY AND OSD AS TO WHAT NAVY'S REQUIREMENTS ARE IN INTRA-THEATER AIRLIFT. THE PROBLEM SEEMED TO BE SOLVED WHEN THE PROCUREMENT OF C-9B AIRCRAFT WAS APPROVED BY THE CONGRESS IN FY 73. ALTOGETHER, 14 C-9Bs WERE PURCHASED FOR NAVY AND MARINE USE, OSD THEN DECIDED TO CONSOLIDATE ALL AIRLIFT UNDER THE MILITARY AIRLIFT COMMAND (MAC). THE CONSOLIDATION DECISION BY OSD ACCOMD-DATED NAVY AIRLIFT REQUIREMENTS USING "FREE" EXCESS FLYING HOURS IN THE MAC INVENTORY WITHOUT HAVING TO PURCHASE ADDITIONAL AIRCRAFT. IN OTHER WORDS THE SUPPORT WAS SUPPOSED TO BE FREE. OBVIOUSLY THE FREE RIDE NEVER HAPPENED BUT OSD, UP UNTIL RECENTLY, WOULD NOT BACK OFF ITS ORIGINAL STAND DESPITE THE FACT THAT ALL THE ASSUMPTIONS UPON WHICH THE DECISION WAS BASED WERE INVALID.

THE AIR FORCE RESPONDED TO THE DECISION TO CONSOLIDATE BY STATING THAT ADDITIONAL ASSETS (AIRCRAFT AND FLIGHT HOURS) WERE NECESSARY TO ABSORB THE ADDITIONAL NAVY REQUIREMENTS. A TEST OF THE MAC CAPABILITY TO ASSUME THE NAVAL RESERVE WEEKEND AIRLIFT REQUIREMENTS, IN JULY-AUGUST OF 1977, WAS A RESOUNDING FAILURE. THE SERVICE WAS POOR AND THE COST TWICE THAT OF BETTER SERVICE WITH C-9Bs.

THE CONGRESS IN ITS HEARINGS ON THE MATTER HAS REJECTED THE CONSOLIDATION EFFORT FOR THE LAST SIX YEARS AND, IN SPITE OF OSD PROTESTS, HAS VOTED TO ADD C-9Bs TO THE BUDGET IN TWO OF THE PAST FOUR YEARS, ALBEIT IN SMALL NUMBERS BECAUSE OF THE OSD OPPOSITION.

As part of the OSD plan to consolidate the airlift effort an attempt was made for four years to get rid of the C-118s which the Naval Reserve was using to handle its own and some of the fleet requirements. Each year the Congress restored the old reliable C-118s to the force until two years ago when OSD finally adopted a five year phaseout plan for that aircraft. NRA warned at that time that there should be no further extension of the C-118s because they were fast reaching the point of diminishing returns.

As a result of the phaseout plan one VR unit at New Orleans has already been disestablished. Replacement aircraft for the C-118s have not been forthcoming, consequently, more units at Detroit, Memphis, Atlanta, Whidby Island, Glenview and Willow Grove were scheduled to be disestablished in the period FY 1982 through FY 1985. Once lost, the tremendous talent and experience available in a squadron would be very difficult to recover. The building or rebuilding of a squadron is a relatively slow process. Secretary Lehman clearly understands this problem. He issued a message that held all disestablishments in abeyance pending resolution of the Reserve Airlift issue. The Secretary's action saved VR-52 in Detroit from immediate disestablishment and pumped new life into the unit. Both Secretary Lehman and the previous CNO, Admiral Hayward, have taken personal interest in finding an immediate solution to the C-118 replacement program. That interest and leadership is vital to the resolution of the problem and is sincerely appreciated.

The question is frequently asked, "why does the Navy need its own airline?" First of all, Title 10 U.S.C. 5012(b) directs that there be Navy organic, "air transport essential for naval operation." The C-9B aircraft was originally

SELECTED FROM AMONG A SIZEABLE NUMBER OF CANDIDATES AS THE BEST AIRCRAFT AVAILABLE TO ACCOMPLISH THE MISSION OF SUPPORT TO THE FLEET COMMANDERS. THERE IS NOTHING THAT IS SO RESPONSIVE TO THE NAVY UNIQUE AIRLIFT REQUIREMENTS OF SHORT LEAD TIME, LOW VOLUME, HIGH FREQUENCY OF DEMANDS TO A MULTIPLICITY OF MOSTLY UNPREDICTABLE FLEET LOCATIONS, AS AN ORGANIC AIRLIFT. THE AIR FORCE AGREED WITH THE ABOVE ASSERTION DURING THE DEFENSE TACTICAL AIRLIFT MODERNIZATION (DODTAM) STUDY CONDUCTED BY OSD IN 1978. THAT STUDY ALSO CONFIRMED THE NEED FOR 37 ADDITIONAL C-9Bs IN ORDER TO SATISFY THE NAVY'S REQUIREMENTS. A MODEST NAVY ORGANIC AIRLIFT CAPABILITY WAS DETERMINED TO BE THE ONLY METHOD OF PROVIDING THE REQUISITE RESPONSE.

ONCE THE REQUIREMENT WAS VALIDATED, THE NEXT STEP WAS TO FIND THE MOST EFFICIENT AND COST EFFECTIVE MANNER OF PROVIDING THE SERVICE. NRA BELIEVES THE AIRLIFT SYSTEM NOW IN PLACE IN THE NAVY PROVIDES THE BEST OF ALL POSSIBLE WORLDS. NAVAL RESERVISTS FLY ALL THE NAVAL LOGISTICS AIRLIFT SUPPORT IN THE CONTINENTAL UNITED STATES (CONUS) AND SOME OVERSEAS INTRA THEATRE SUPPORT. THIS HAS BEEN EXPANDED TO INCLUDE A COMMITMENT TO MAINTAIN AN AIRCRAFT AT CERTAIN TIMES IN SUPPORT OF THE SIXTH FLEET IN THE MEDITERRANEAN AND THE SEVENTH FLEET IN THE PACIFIC. THE NAVAL RESERVE CAN HANDLE THIS DEPLOYMENT BY SCHEDULING RESERVISTS ON A HEEL AND TOE OR BACK TO BACK TWO WEEK DEPLOYMENTS AS IS ALSO BEING DONE IN THE VP COMMUNITY AT SEVERAL LOCATIONS.

EACH RESERVE VR SQUADRON IS LARGE ENOUGH SO THAT THE SELECTED AIR RESERVISTS CAN FLY ALL THE SCHEDULED MISSIONS IN PEACETIME AND ARE IMMEDIATELY AVAILABLE FOR A SURGE TO TRIPLE THE PEACETIME FLIGHT SCHEDULE IN WARTIME OR OTHER NATIONAL EMERGENCY. THE CREWS, WHICH ARE ALL INACTIVE RESERVISTS EXCEPT FOR A FEW TARs (TRAINING AND ADMINISTRATION OF RESERVE), ARE BASICALLY PAID FOR ONLY THE TIME

THEY ARE FLYING. THESE AIRCRAFT, WHICH SATISFY THE WARTIME REQUIREMENT TO SUPPORT THE FLEET COMMANDERS, CAN BE EFFECTIVELY USED IN PEACETIME TO SUPPORT FLEET AND RESERVE NEEDS NOT AMENABLE TO MAC CAPABILITIES. THIS ORGANIC SUPPORT ACCOUNTS FOR ONLY 20% OF THE NAVY'S AIRLIFT REQUIREMENTS, THE REST IS HANDLED BY MAC AND CIVILIAN COMMERCIAL ASSETS.

THE PEACETIME USE OF THE AIRLIFT ASSETS BY THE NAVAL RESERVE IS ESSENTIAL TO THE READINESS AND PERSONNEL STABILITY OF THE NAVAL RESERVE. DUE TO THE CONSOLIDATION OF MOST OF THE RESERVE AIR ACTIVITIES AT USN LOCATIONS, (OUT OF THE HIGH POPULATION AREAS), AND THE NEED TO PROVIDE HANDS ON TRAINING TO SURFACE RESERVISTS, THE IMPORTANCE OF A RESPONSIVE AIRLIFT IS OBVIOUS IF WE ARE TO EXPAND OR EVEN RETAIN THE PRESENT NAVAL RESERVE FORCE.

THIS YEAR HAS NOT ONLY SEEN THE SECRETARY OF THE NAVY, JOHN L[illegible]N, AND THE FORMER CHIEF OF NAVAL OPERATIONS, ADMIRAL HAYWARD, GIVE HIGH PRIORITY TO REPLACING THE AGED C-118s IN THE NAVAL RESERVE, BUT THE OSD RESISTANCE TO THE ACQUISITION OF A REPLACEMENT AIRCRAFT APPEARS TO HAVE SWITCHED TO A SUPPORTIVE POSITION. NRA HOPES THAT, AT LONG LAST, THE NAVY LOGISTICS AIRLIFT CRISIS CAN BE RESOLVED AND THE GOAL OF IMPROVING THE COMBAT READINESS STATUS OF NAVY ACTIVE AND RESERVE UNITS/INDIVIDUALS CAN BE REALIZED.

NRA HAS BACKED OFF ITS STRONG RECOMMENDATIONS OF THE PAST EIGHT YEARS THAT ALL OF THE NAVY'S ORGANIC LOGISTICS AIRLIFT REQUIREMENTS BE FILLED BY NEW C-9B AIRCRAFT. THE AVAILABILITY OF USED DC-9s ON THE MARKET HAS PROVIDED A VERY ATTRACTIVE AND LOGICAL ALTERNATIVE TO NEW AIRCRAFT BECAUSE OF THE IMMEDIATE AVAILABILITY AND VERY ATTRACTIVE COST OF THE USED PLANES. THERE IS A SACRIFICE IN CAPABILITY AND LONGEVITY BETWEEN THE USED AIRCRAFT AVAILABLE FOR LEASE/PURCHASE AND NEW C-9Bs. THE C-9B HAS BETTER RANGE AND FLEXIBILITY WITH ITS

EXTRA FUEL CAPACITY AND CARGO CONVERTIBILITY. HOWEVER, THERE IS AN IMMEDIATE CRITICAL NEED TO PROVIDE THE NAVAL RESERVE WITH REPLACEMENT AIRLIFT AIRCRAFT AND THIS CAN BE ACCOMPLISHED BY THE ACQUISITION OF USED DC-9s. THE USED DC-9s INCLUDED IN NRAs PROCUREMENT PLAN CAN BE MODIFIED BY THE NAVY AFTER PURCHASE IF IT IS DEEMED APPROPRIATE. THE EXTENT OF THE MODIFICATION/S OF THE USED DC-9s WOULD DEPEND ON THE CONFIGURATION/S REQUIRED BY THE NAVY AND THE SERIES OF AIRCRAFT SELECTED FOR PROCUREMENT. IT IS EMPHASIZED HOWEVER, THAT THE USED AIRCRAFT PROPOSED HEREIN WOULD HAVE A NAVY SERVICE LIFE OF FROM 17 TO 30 YEARS BASED UPON THE SCHEDULED UTILIZATION OF 120 HRS/MONTH AND A SERVICE LIFE CONSERVATIVELY ESTIMATED AT 75,000 HOURS.

THE BUY AND LEASE CHARTS FOR USED DC-9s ARE EXTRACTED FROM THE BEST ESTIMATES AVAILABLE AT THIS TIME. THE USED AIRCRAFT MARKET IS A FLUID ONE. A DISTINCT VARIABLE IS THE SERIES AND MODEL AIRCRAFT WHICH THE NAVY SELECTS AS ITS CHOICE.

NRA HAS STATED ITS RECOMMENDATIONS BASED ON AN UNSOLICITED OFFER TO SELL OR LEASE BY A SPECIFIC AIRCRAFT USER. THE AIRCRAFT BASICALLY IS A DC-9-31 WITH 35,000 HOURS. THE PRICE INCLUDES CONSIDERABLE SPARES AND SUPPORT EQUIPMENT ADEQUATE FOR 12 PLANES - AND - THE PRICE IS RIGHT. NRA BELIEVES THAT THE TIME FOR PURCHASING USED AIRLIFT AIRCRAFT IS NOW. OTHER DC-9s OF OLDER VINTAGE AND LESSER CAPABILITY HAVE BEEN AVAILABLE FOR COMMENSURATELY LOWER PRICES.

THE NAVAL RESERVE ASSOCIATION CALLS FOR THE ADOPTION OF A PLAN WHICH ACCOMPLISHES TWO GOALS - (1) THAT OF SUPPLYING THE WARTIME FLEET COMMANDERS WITH A QUICK RESPONSE LOGISTIC AIRLIFT SUPPORT, AND (2) PROVIDING AN IMMEDIATE FIX FOR THE CURRENT PAUCITY OF NAVY LOGISTICS AIRLIFT ASSETS BY REPLACING

THE AGED AND AILING C-118s WITH USED DC-9s AVAILABLE FROM A COMMERCIAL SOURCE FOR ABOUT $93.8 MILLION FOR EIGHT AIRCRAFT IN FY 83, APPROXIMATELY $73.5 MILLION ABOVE THE BUDGET REQUEST. REGARDLESS OF WHETHER SUCH AIRCRAFT ARE LEASED OR PURCHASED, LEASING BEING AN ALTERNATIVE, THERE WOULD BE SOME SITE SUPPORT START UP COST. THE EXPECTED COSTS OF THE TWELVE AIRCRAFT UNDER THE TWO ALTERNATE PLANS APPEAR BELOW. THE CHARTS ARE BASED UPON A SPECIFIC OFFER TO LEASE OR SELL USED DC-9-31 AIRCRAFT. THE DECISION TO LEASE OR BUY A DIFFERENT SERIES OF AIRCRAFT COULD CHANGE THE AMOUNTS SHOWN CONSIDERABLY. OFFSETS SHOWN IN FY 83 ARE $16.2 MILLION IN PROCUREMENT FUNDS INTENDED FOR THE PURCHASE OF TWO USED DC-9s, AND $4.1 MILLION IN O&MNR WHICH CONSISTS OF HALF YEAR FUNDING FOR THE C-118 OVERHAULS AND FLIGHT HOURS. THE CHART ALSO ASSUMES THAT THE NAVY ENTERS INTO A LEASE FOR FOUR (4) USED DC-9s IN FY 1982 WHICH IS THE INTENTION AT THIS WRITING. (ALL FIGURES ARE CONSTANT 83 DOLLARS IN THE MILLIONS)

BUY USED DC-9s (8/FY 83, 4/FY 84)

FISCAL YEAR	FY-83	FY-84	FY-85
FLYAWAY COST	(8) 50.0	(4) 25.0	(0) -
SITE SUPPORT*	8.0	2.5	-
SPARES (INITIAL)*	16.0	8.0	-
O&MNR (POL)	14.3	19.0	19.0
O&MNR (MAINTENANCE)	4.7	6.2	6.2
O&MNR (TRAINING)**	.8	-	-
SUB TOTAL	93.8	60.7	25.2
LESS FY 83 BUDGET PROCUREMENT	(16.2)		
LESS FY 83 C-118 O&MNR (1/2 YEAR)	(4.1)		
TOTAL	73.5***		

(PROCUREMENT 57.8 O&MNR 15.7)***

*COSTS BASED UPON A KNOWN OFFER OF USED DC-9-31 AIRCRAFT WHICH INCLUDES MUCH SITE SUPPORT AND SPARE PARTS.
**TRAINING COSTS FOR 64 PILOTS AND 22 ENLISTED CREW.
***OVER BUDGET REQUEST

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LEASE 12 Used DC-9s

Fiscal Year	FY-83	FY-84	FY-85
Lease (O&MNR)	12.0	12.0	12.0
Site Support*	11.4	-	-
Spares (Initial)*	21.0	-	-
O&MNR (POL)	14.3	14.3	14.3
O&MNR (Maintenance)	4.7	4.7	4.7
O&MNR (Training)**	.8	-	-
Sub Total	64.2	31.0	31.0
Less FY 83 Budget Procurement	(16.2)		
Less FY 83 C-118 O&MNR	(4.1)		
Total	43.9***		

(Procurement 16.2 O&MNR 27.7)***

*Costs based upon a known offer of used DC-9-31 aircraft which includes much site support and spare parts.
**Training costs for 64 pilots and 22 enlisted crew.
***Over budget request

Summary - Navy Airlift Modernization

The unique airlift requirements of the Navy are best satisfied by a Navy organic airlift capability. This has been verified through congressional hearings and budget actions, through Navy studies, through an OSD study (DODTAPO) and through public law 10 USC 5012(a). The present C-118s have been flying over 30 years and are giving up faster even than planned which, unless something is done expeditiously, will cause a lot of highly trained Reservists to go home for lack of billets. The case for the C-9B to serve the needs of the Fleet Commanders in wartime is well documented as being the best of the options available.

The C-9B has the best dispatch reliability rate of any operational aircraft in the military inventory (97.0%+ in CONUS). It is flown by Naval Reservists and is manned to triple its flight hour schedule for wartime surge requirements. NRA believes that there is no more cost effective operation in the defense establishment today.

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THE NAVY HAS INITIATED ACTION TO LEASE USED DC-9 AIRCRAFT COMMENCING IN FY 1982. AN ENDORSEMENT OF THE INITIATIVE AS WELL AS THE AUTHORIZATION AND FUNDING FOR EIGHT (8) USED DC-9s IS NECESSARY TO FULFILL SOME IMMEDIATE NAVY ORGANIC LOGISTICS AIRLIFT REQUIREMENTS. NOW IS THE TIME TO NEGOTIATE FOR THE BEST PRICE ON USED AIRCRAFT.

NRA BELIEVES ITS PROPOSED LOGISTICS AIRLIFT PACKAGE IS THE MOST REASONABLE ALTERNATIVE AVAILABLE TO SOLVE THE IMMEDIATE REQUIREMENT FOR ADDITIONAL AIRLIFT ASSETS IN THE NAVY AND TO ACCOMPLISH IT IN THE MOST ECONOMICAL MANNER.

RECOMMENDATION:

THAT THE CONGRESS FUND THE ADDITIONAL COSTS OF $73.5 MILLION FOR EIGHT (8) USED DC-9 AIRCRAFT IN FY 83.

THE NAVAL SURFACE RESERVE

THE NAVAL RESERVE FORCE IS RECEIVING A GREAT DEAL OF ATTENTION THESE DAYS, PARTICULARLY THE SURFACE RESERVE. THE CNO SAID IN HIS POSTURE STATEMENT THAT THE NAVAL RESERVE HAD MADE IMPRESSIVE READINESS IMPROVEMENTS, THANKS TO THE PERSISTENT EFFORTS OF THE CONGRESS. SECRETARY LEHMAN SPOKE OF THE INTRODUCTION OF THE FF-1052 KNOX CLASS FRIGATES, THE FFG-7 PERRY CLASS FRIGATES, TO INCLUDE AT LEAST 24 FRIGATES, AS WELL AS UPDATED AND MODERN MINE WARFARE AND SUPPORT CRAFT. WE ARE WELL AWARE THAT THIS COMMITTEE IS PRIMARILY RESPONSIBLE FOR THE RESURGENCE OF THE NAVAL SURFACE RESERVE AS A FIGHTING FORCE. WE ARE VERY GRATEFUL FOR YOUR GUIDANCE IN THIS MATTER.

NRA APPLAUDS THE "NEW LOOK" FOR THE NAVAL SURFACE RESERVE FORCE AND THANKS THE CONGRESS, PARTICULARLY THIS COMMITTEE, FOR ITS PERSISTENCE IN MODERNIZING THE

SURFACE NRF. THE PROGRAM IS RECEIVING TOP LEVEL ATTENTION IN THE NAVY NOW, CONSEQUENTLY, IT HAS A GOOD CHANCE OF SUCCEEDING. THERE ARE A FEW CONGRESSIONAL GUIDANCE ISSUES NOT YET IMPLEMENTED BY THE NAVY WHICH WILL BE DISCUSSED LATER, HOWEVER, NRA BELIEVES THAT WITH SUPPORT FROM THE NAVY AND THE CONGRESS, A GREATER CONTRIBUTION CAN BE MADE TO THE TOTAL FORCE BY THE NAVAL RESERVE. A LONG RANGE PLAN IS NECESSARY WITH A MIGRATION OF CURRENT ASSETS FROM THE ACTIVE FORCE INTO THE NAVAL RESERVE. THIS PLAN WOULD ENABLE THE ACTIVE FORCE TO CONCENTRATE ON PEACETIME DEPLOYMENTS, IMPROVEMENT OF TACTICS AND THE DEVELOPMENT OF NEW WEAPONS SYSTEMS. IN OTHER WORDS, THE NAVAL RESERVE WOULD GRADUALLY BUT SYSTEMATICALLY ASSUME MANY OF THE WARTIME MISSIONS NOW IN THE ACTIVE FORCE.

ONE OF THE MISSIONS WHICH THE NAVAL RESERVE DOMINATES IS THE MINE WARFARE ROLE. AS THE CNO STATED IN HIS POSTURE STATEMENT, THE MINE WARFARE TASK WAS NEGLECTED DURING THE PAST DECADE. AS A RESULT THE MINESWEEPERS NOW IN THE NRF ARE BEING DECOMMISIONED WITH NO REPLACEMENTS FOR SEVERAL YEARS. (THE LOW PRIORITY GIVEN MISSIONS IN THE NAVAL RESERVE IS A PROBLEM WHICH NEEDS TO BE OVERCOME). THE CNO HAS ALSO SAID THAT THE MINE WARFARE MISSION BELONGED TO THE NAVAL RESERVE AND THAT THE NEW MINE COUNTERMEASURE SHIPS WILL BE ASSIGNED TO THE NAVAL RESERVE AFTER A SHORT SHAKEDOWN PERIOD IN THE ACTIVE FORCE. IT IS HOPED THAT MINE WARFARE WILL BE GIVEN A HIGH PRIORITY IN THE BALANCED FORCE REFERRED TO BY SECRETARY LEHMAN. WITH THE TREMENDOUS MINE-LAYING CAPABILITY OF THE SOVIETS OUR SEAPORTS COULD BE BOTTLED UP FOR LONG PERIODS OF TIME WITHOUT MINE COUNTERMEASURE SYSTEMS TO CLEAR THE HARBOR APPROACH AND DEPARTURE LANES. THE HELICOPTER MINESWEEPERS WERE SCHEDULED INTO THE NAVAL AIR RESERVE AT ONE TIME, BUT THE TRANSFER WAS CANCELLED WHEN THE ACTIVE FORCE DECIDED THAT IT NEEDED THE EQUIPMENT FOR THE VOD (VERTICAL

ON BOARD DELIVERY) FOR THE REPLENISHMENT AT SEA TASK. MINE WARFARE IS BASICALLY A WARTIME MISSION AND LOGICALLY BELONGS IN THE RESERVE.

ONE OF THE OBJECTIONS TO PLACING MORE HARDWARE INTO THE NAVAL RESERVE WAS THAT THE WEAPONS SYSTEMS WERE TOO SOPHISTICATED FOR RESERVISTS. THAT IS CONSIDERED A SMOKESCREEN FOR THE REAL DESIRE OF MANY SENIOR NAVAL OFFICERS TO KEEP ALL THE HARDWARE IN THE ACTIVE FORCE AND HAVE A BIG MANPOWER POOL OF RESERVISTS TO DRAW UPON WHEN TROUBLE COMES.

SUFFICE IT TO SAY THAT THE RESERVIST IS AN EXPERIENCED NAVY VETERAN AND HE BECOMES MORE SKILLED AS HE DRILLS AND PERFORMS TRAINING DUTY ON HIS PLATFORM. THIS IS ONE OF THE MAIN REASONS FOR SUPPORTING THE CONGRESSIONAL GUIDANCE THAT THE ACTIVE PORTION OF THE 50%/50% ACTIVE/RESERVE MIX ABOARD THE NRF FRIGATES BE ALL TAR (TRAINING AND ADMINISTRATION RESERVE) PERSONNEL. THIS ENABLES THE ACTIVE CREWS OF THE SHIPS TO REMAIN LONGER ABOARD A SHIP, BECOME TRUE EXPERTS IN THEIR JOBS ABOARD THE SHIP, KNOW THE SELECTED RESERVISTS WHO WILL WORK WITH THEM, AND IN THE FINAL ANALYSIS, RUN A BETTER SHIP IN AN ABBREVIATED TRAINING PERIOD. NRA BELIEVES THAT THE NAVY COMPLIANCE TO CONGRESSIONAL DIRECTION IN THIS INSTANCE IS TANTAMOUNT TO THE SUCCESS OF THE RESERVE FRIGATE PROGRAM. USN ROTATION POLICES REQUIRING FREQUENT MOVES OF PERSONNEL PRECLUDE THE CONTINUITY OF EXPERIENCE WITH THE EQUIPMENT AND THE RESERVE PROGRAM THAT IS NECESSARY TO MAKE IT ALL WORK. THE NAVY IMPLEMENTATION REPORT ON THE CONGRESSIONALLY DIRECTED NRF SHIP INTRODUCTION PLAN IS OVERDUE, CONSEQUENTLY, IT IS NOT KNOW WHETHER ANY CONFLICTS STILL EXIST BETWEEN THE TWO PLANS.

LAST YEAR, NRA COMMENTED ON THE TREMENDOUS NUMBER OF ADDITIONAL PERSONNEL THAT WOULD BE REQUIRED TO MAN THE 600-SHIP NAVY. WE STATED THAT IS WAS POSSIBLE THAT ONE OF THE BATTLESHIPS COULD BE DESIGNATED AS AN NRF SHIP AND BE ASSIGNED A RESERVE CREW. WHEN THE NAVY SOLICITED FOR VOLUNTEERS FOR THE FIRST BATTLESHIP TO BE RETURNED TO ACTIVE SERVICE, MANY RESERVISTS OFFERED TO COME BACK ON ACTIVE DUTY AND SERVE. VERY FEW RESERVE VOLUNTEERS WERE ACCEPTED FOR DUTY ON NEW JERSEY. HOWEVER, ADM HAYWARD INTERCEDED AND DIRECTED THAT QUALIFIED RESERVISTS AND NAVY VETERANS BE GIVEN PRIORITY IN MANNING IOWA, THE NEXT BATTLEWAGON TO COME ON THE LINE. NRA BELIEVES THE RESERVISTS ARE VERY WILLING TO SERVE IF THE NEED IS APPARENT AND THE HARDWARE IS APPROPRIATE TO THE TASK. HISTORICALLY, THERE HAS BEEN VERY LITTLE RESISTANCE BY RESERVISTS TO RECALLS PROVIDED THERE WAS A JOB TO BE DONE. ON THE OTHER SIDE OF THE COIN THERE HAVE BEEN SOME VERY UNHAPPY RECALLEES WHEN THEY WERE NOT USED PROPERLY.

IT IS VERY IMPORTANT THAT THE CONGRESS INSIST ON THE NAVY PROVIDING THE MOST ECONOMICAL WAY OF SUCCESSFULLY FULFILLING A WARTIME MISSION REQUIREMENT. THERE HAS TO BE A CONTINUING DIALOGUE BETWEEN CAPITOL HILL AND THE NAVY TO REACH AN AGREEMENT ON HOW BEST TO FILL THE REQUIREMENTS -- WHETHER BY ACTIVES, RESERVES OR A COMBINATION OF THE TWO. THE CONGRESS MUST ALSO BE RESPONSIVE TO SUPPLY THE MEANS TO DO THE JOB ONCE THE DECISION IS MADE, I.E., RECRUITING/RETENTION INCENTIVES, MODERN HARDWARE, APPROPRIATE BENEFITS, ETC. THE BENEFITS AND INCENTIVES ARE PARTICULARLY IMPORTANT AS LONG AS WE RETAIN THE ALL-VOLUNTEER FORCE POLICY. MANY OF THESE CONSIDERATIONS BECOME NON-ISSUES WITH A RETURN TO THE DRAFT.

ONE OF THE CONSIDERATIONS WHICH WOULD HAVE TO BE ADDRESSED WHEN DECIDING WHERE TASKS SHOULD BE ASSIGNED IS THE NAVY DEPLOYMENT SCHEDULE. IS IT NECESSARY

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FOR THE U.S. TO DEPLOY SO MANY UNITS TO SO MANY PLACES FOR SUCH LONG PERIODS? WHY CAN'T WE LEAVE MORE UNITS OVERSEAS BETWEEN OVERHAULS OR YARD AVAILABILITY PERIODS AND FLY RELIEF CREWS BACK AND FORTH? THE ONE-UP TWO-BACK COSTS A LOT OF TIME AND FUEL OIL IN TRANSITING BACK AND FORTH ACROSS OCEANS. A MODIFIED OVERSEAS HOMEPORTING POLICY MENTIONED ABOVE WOULD ALSO ALLOW SAILORS TO SPEND MORE TIME STATESIDE WITH THEIR FAMILIES. THESE THOUGHTS ARE JUST SOME OF THE IDEAS WHICH SHOULD BE EXPLORED TOGETHER BY CONGRESS AND THE NAVY.

ANOTHER OF THE ITEMS OF CONGRESSIONAL GUIDANCE WHICH THE NAVY IS HAVING TROUBLE ACCEPTING IS THE OPERATIONAL CONTROL OF THE SHIPS BY THE CHIEF OF NAVAL RESERVE, INCLUDING, ADMINISTRATIVE, MANAGEMENT AND FIDUCIARY CONTROL OF HIS FORCES LIKE THOSE OF THE CHIEFS OF MOST OF THE OTHER RESERVE COMPONENTS. NRA BELIEVES THESE CONTROLS ARE NECESSARY TO THE POSITION AND SUPPORTS THE CONGRESSIONAL GUIDANCE CONCERNING OPERATIONAL CONTROL OF THE NRF BY THE CHIEF OF NAVAL RESERVE.

NRA HAS CONSIDERABLE CONCERN REGARDING THE HOMEPORTING OF THE NRF SHIPS. IT APPEARS THAT THE NAVY PLAN IS NOT PRIMARILY CONCERNED WITH THE DEMOGRAPHIC REALITIES OF THE RESERVE WORLD, BUT IN COLOCATING REGULAR AND RESERVE SHIPS WHERE THE PREPONDERANCE OF MAINTENANCE CAN BE ACCOMPLISHED BY RESERVE PERSONNEL. A CASE IN POINT IS NEWPORT, RI WHERE THERE WILL BE FIVE TIMES AS MANY REGULAR AS RESERVE SHIPS BUT THE MAINTENANCE MANPOWER SEEMS TO BE PREDOMINATELY RESERVE. IT WOULD APPEAR THAT A MUCH BETTER DISTRIBUTION OF HOME PORTS COULD BE MADE TO TAKE ADVANTAGE OF THE CONTIGUOUS RESERVE POPULATION IN PORTS WHICH COULD SUPPORT RESERVE SHIPS AND MAINTENANCE UNITS.

ANOTHER POSSIBLE SOLUTION FOR CONVOY PROTECTION IS THE ARAPAHO PROGRAM, A CONCEPT WHICH PLACES ASW HELICOPTERS ON BOARD MERCHANT SHIPS. ARAPAHO IS

A SELF-CONTAINED DEFENSE FORCE LOW IN COST, HIGHLY FLEXIBLE, AND COMPATIBLE WITH AN INTERNATIONAL MIX OF SHIPS. IT UTILIZES EXISTING ASSETS SO THERE IS NO "BETTING ON THE COME" WAITING FOR MORE ADVANCED TECHNOLOGY. THE CONCEPT IS CAPABLE OF ADAPTING TO MISSIONS OTHER THAN JUST CONVOY PROTECTION SUCH AS MINE COUNTERMEASURES, CLOSE AIR SUPPORT WITH EITHER HELICOPTER GUNSHIPS OR HARRIERS, CONVOY SUPPLY SUPPORT, ETC.

BRIEFLY, ARAPAHO IS A CONCEPT WHICH POSITIONS SPECIALIZED CONTAINERS ABOARD MERCHANT VESSELS (CONTAINER SHIPS) TO FORM A HANGER, FLIGHT DECK, WORK SPACES AND LIVING ACCOMODATIONS FOR THE DETACHMENT PERSONNEL. THE PACKAGE IS DESIGNED TO BE COMPLETELY SELF-SUFFICIENT. THE CONTAINERS ARE SPECIALLY OUTFITTED TO FULFILL THE NECESSARY FUNCTIONS OF FLIGHT CONTROL, MAINTENANCE, FIREFIGHTING, SLEEPING, ETC. THEY (THE CONTAINERS) ARE BUILT ACCORDING TO INTERNATIONAL STANDARDS. THE CONTAINERS CAN BE LOADED OR UN-LOADED FROM THE HOST SHIPS BY NORMAL AVAILABLE CREWS USING STANDARD LOADING/UNLOADING EQUIPMENT. THE ASW HELICOPTERS COULD EASILY BE NAVAL RESERVE AS COULD THE TOTAL ARAPAHO MISSION.

NRA HAS ENDORSED AND SUPPORTED THE "ARAPAHO" PROGRAM FOR YEARS AS A POSSIBLE LOW COST ANSWER TO ASW PROTECTION FOR CONVOYS OR OTHER HIGH VALUE TARGETS TRANSITING THE SEA LANES IN SUPPORT OF OUR DEPLOYED FORCES IN WARTIME. THE PROGRAM AT ONE TIME, KNOWN AS THE RESERVE MERCHANT SHIP DEFENSE SYSTEM (RMSDS), HAS MOVED ALONG WITH AGONIZINGLY SLOW PROGRESS SINCE IT WAS CONCEIVED AT LEAST TEN YEARS AGO. MUCH OF THE PROBLEM CAN PROBABLY BE ATTRIBUTED TO LOW COST AND THEREFORE THE LOW PRIORITY OF THE PROJECT.

THE UPDATE ON ARAPAHO BY MR. MULQUIN IN THE FEBRUARY 1982 ISSUE OF THE NRA NEWS WAS AN UPBEAT REPORT BY AN INDIVIDUAL EXTREMELY KNOWLEDGEABLE AND CLOSE TO HIS SUBJECT. IT IS OBVIOUS BY READING MR. MULQUIN'S ARTICLE THAT THE ARAPAHO

PROGRAM WITH ITS TREMENDOUS POTENTIAL OF PROVIDING A LOW COST ANSWER TO A SUPPLEMENTAL ASW COVERAGE OF THE SEA LANES, DESERVES A THOROUGH TESTING AND EVALUATION.

THE CONGRESS HAS BEEN MORE THAN PATIENT WITH THE SLOW PROGRESS BEING MADE ON THE PROJECT. MOST OF THE GUIDANCE FOR CONDUCTING THE TESTS AND EVALUATION HAS BEEN CONGRESSIONALLY INSPIRED AND THE FUNDS HAVE BEEN ADD-ONS FROM CAPITOL HILL.

LAST YEAR THE CNO TESTIFIED THAT IT WOULD TAKE APPOXIMATELY $12 MILLION OVER A THREE YEAR PERIOD TO COMPLETE THE PROJECT. THE BRITISH, CANADIANS, AUSTRALIANS, AND GERMANS ARE VERY INTERESTED IN THE CONCEPT. THE BRITISH, IN FACT, HAVE TAKEN AN ACTIVE PART IN THE TESTS AND EVALUATIONS. THE COMMANDANT OF THE MARINE CORPS HAS EXPRESSED AN INTEREST IN TESTING THE SUITABILITY OF THE PLATFORM FOR DEPLOYING HARRIERS AT SEA. IT WOULD APPEAR FROM EVEN A CASUAL OBSERVATION THAT IT WOULD BE NEGLIGENCE ON THE PART OF OUR PLANNERS NOT TO FULLY EVALUATE THE ARAPAHO CONCEPT.

NRA BELIEVES THAT THE TEST AND EVALUATION PHASE OF THE PROJECT SHOULD BE EXPEDITIOUSLY CONDUCTED AND THE RESULTS TABULATED TO DETERMINE THE FEASIBILITY OF A FOLLOW-ON IMPLEMENTATION PROGRAM. THE TESTS SHOULD UTILIZE CIVILIAN, UNITED KINGDOM AND NAVAL RESERVE ASSETS TO PRECLUDE, AS MUCH AS POSSIBLE, THE INTERRUPTION OR CANCELLATION OF THE ACTIVE FORCE SHIPS' SCHEDULES.

<u>RECOMMENDATIONS:</u>

THE NAVAL RESERVE ASSOCIATION STRONGLY URGES THE COMMITTEE TO ACCOMPLISH THE FOLLOWING ACTIONS:

- o Insist that the Navy follow the previous Congressional direction concerning Operational Control of the NRF ships by CNAVRES and full manning of the NRF ship active duty crews by TAR personnel.
- o Fund $4.0 Million to continue Phase II, of the Tactical and Operational Testing of ARAPAHO.

Guard/Reserve Procurement Account

Mr. Chairman, one of the most desirable and effective actions which could be taken by this Committee would be to establish separate Guard and Reserve Procurement Accounts. The Financial Summary released by OSD for Fiscal Year 1983 is a graphic illustration of how deceiving and misleading a group of figures can be. The Financial Summary Document showed an increase in Guard and Reserve funding from $12.3 Billion in FY 1982 to $14.3 Billion in FY 1983, an increase of over $2.0 Billion in constant FY 1983 dollars.

An analysis revealed that there are factors which change the perception given by that summary considerably. First, a significant portion of the money, approximately 30%, which OSD claims is or was used for the Guard and Reserve equipment procurement is actually used for active force procurement. If we would believe the chart then we would assume that Guard and Reserve units are receiving considerable amounts of new equipment. We know however, that is not true, the units are receiving hand-me-down hardware. The Army is the main culprit in this con game and from personal experience you can be assured that there is no way to establish an audit trail which would logically commence with Appropriations and end with the equipment in the hands of the Guard and Reserve.

After adjustments are made to reflect what the Guard and Reserve really costs, the following chart, which shows constant FY 1983 dollars, compares the claimed versus the real cost of the Guard and Reserve Forces.

	FY 1981	FY 1982	FY 1983	Change FY 82-83
OSD	11.4	12.3	14.3	+ 2.1
Actual	8.71	8.98	9.64	+ .66

The shortage of Guard and Reserve equipment is estimated at $2.64 Billion by the Senate Armed Services Committee based upon reports from the Chiefs of the National Guard and Reserve components. This was the first report of such equipment shortages and is believed to be considerably below the actual shortage.

It appears that the Congress is serious about rectifying the G/R equipment shortages but the only way that the money appropriated will end up for the purpose intended is to establish separate Procurement accounts for each of the Reserve Components. There is the natural reluctance of the services to lose their flexibility in the Procurement accounts but the decision by the Congress to establish separate Reserve Personnel and Operations and Maintenance accounts almost ten years ago has helped considerably in preventing the diversion of Reserve Component money to active force purposes. The establishment of Guard and Reserve Procurements Accounts would also eliminate the requirement in the SASC report this year that ..."the chiefs should report to the Committee within 60 days of the date of enactment of this Act on the allocations each has made..." since the money appropriated would have to be used for the purpose intended.

In a separate but related issue the Naval Reserve Association is recommending that the Chief of Naval Reserve come from the ranks of the Naval Reserve,

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APPOINTED BY THE PRESIDENT FOR A STATUTORY TOUR AND BE RESPONSIBLE FOR ADMINISTRATIVE MANAGEMENT, OPERATIONAL AND FIDUCIARY CONTROL OF HIS FORCES. THE ESTABLISHMENT OF GUARD AND RESERVE PROCUREMENT ACCOUNTS WOULD HELP CONSIDERABLY TO ENABLE THE NAVAL RESERVE CHIEF TO MANAGE HIS ASSETS AND FOR ALL THE RESERVE COMPONENT CHIEFS TO UPGRADE THEIR FORCES.

RECOMMENDATION

THE NAVAL RESERVE ASSOCIATION STRONGLY RECOMMENDS THAT THIS COMMITTEE INITIATE ACTION TO ESTABLISH A PROCUREMENT ACCOUNT FOR EACH OF THE RESERVE COMPONENTS.

SUMMARY

MR. CHAIRMAN, IT IS OBVIOUS FROM PAST EXPERIENCE THAT IF THIS COUNTRY IS EVER GOING TO BENEFIT FROM THE EXPERTISE AND COST-EFFECTIVENESS OF THE GUARD AND RESERVE TO ANYWHERE NEAR WHAT THE POTENTIAL POSSIBILITIES ARE, INITIATIVES WILL HAVE TO CONTINUE TO COME FROM THE CONGRESS. THE SERVICES AND THE OFFICE OF THE SECRETARY OF DEFENSE ALL HAVE A DEEP RELUCTANCE TO TAKE AN OBJECTIVE LOOK AT POSSIBLE ADDITIONAL CONTRIBUTIONS OF THE GUARD AND RESERVE TO THE NATIONAL DEFENSE EFFORT. EVEN WHEN NEW OR ADDITIONAL TASKS ARE GIVEN THE RESERVE COMPONENTS THE NECESSARY SUPPORT TO DO THE JOB IS OFTEN LACKING.

SINCE THE AUTHORIZATION PROCESS HAS NOT YET BEEN COMPLETED THIS TESTIMONY HAS NECESSARILY COVERED A BROADER RANGE OF TOPICS THAN WOULD HAVE BEEN DONE HAD THE FY 83 DEFENSE AUTHORIZATION BILL BEEN COMPLETED.

ALL OF THE ISSUES DISCUSSED IN TODAY'S TESTIMONY ARE OF VITAL INTEREST TO THE DEFENSE OF THIS NATION, AND COULD PUT THE NAVAL RESERVE BACK ON THE ROAD TO PROVIDING THIS COUNTRY WITH A HIGHLY EFFICIENT, COST EFFECTIVE FORCE.

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THE MEASURES PROPOSED WOULD PROVIDE ALMOST IMMEDIATE AND SUBSTANTIVE IMPROVEMENT IN COMBAT READINESS.

- o THE RECOMMENDATION TO INCREASE THE NAVAL RESERVE STRENGTH PROPOSES A GRADUAL INCREASE OVER A FOUR YEAR PERIOD TO A LEVEL ALL PARTIES NOW GENERALLY AGREE TO BE THE WARTIME REQUIREMENT.

- o THE TAC/NAV MOD TO THE RESERVE P-3A/B AIRCRAFT WILL PROVIDE A QUANTUM INCREASE IN ASW CAPABILITY TO THE MODIFIED AIRCRAFT FOR A SMALL FRACTION OF WHICH A NEW AIRCRAFT WOULD COST. THE RESERVE P-3 UNITS ARE PRIME CANDIDATES FOR EARLY RECALL IN THE CASE OF INCREASED WORLD TENSION.

- o THE C-9 PROCUREMENT PROPOSAL ADDRESSES AN IMMEDIATE ANSWER TO A CRITICAL SHORTAGE OF TACTICAL AIRLIFT IN THE NAVY. DRILL ATTENDANCE FROM AIRLIFT PICKUPS POINTS IS SUFFERING CONSIDERABLY BECAUSE THE OLD C-118S CANNOT MAKE THE SCHEDULE ANY MORE. THE NRA PROPOSAL TO LEASE/BUY USED DC-9S PROVIDES AN INSTANT ANSWER FOR A LONG TERM AT LOW COST.

- o NRA ASKS FOR THE CONTINUED SUPPORT FROM THIS COMMITTEE TO PROVIDE A CREDIBLE NAVAL RESERVE SURFACE FORCE BASED UPON GUIDANCE GIVEN THE NAVY OVER THE PAST SEVERAL YEARS. THE SUPPORT TO COMPLETE THE PHASE II TESTING OF ARAPAHO IS ALSO REQUESTED BECAUSE OF THE GREAT POTENTIAL AND POSSIBLE ADAPTABILITY FOR SEVERAL MISSIONS BY THE CONCEPT. ALSO ATTRACTIVE IS THE COST VERSUS CAPABILITY RATIO.
- o PROBABLY ONE OF THE GREATEST STRIDES WHICH COULD BE MADE IN THE EFFORT TO PROPERLY EQUIP THE GUARD AND RESERVE WOULD BE FOR THE COMMITTEE TO INITIATE A PROCUREMENT ACCOUNT FOR EACH OF THE RESERVE

COMPONENTS. THE ABILITY TO ACCOUNT FOR THE TRUE COSTS OF ACTIVE AND RESERVE FORCES WOULD BE IMPROVED CONSIDERABLY AND THE G/R WOULD RECEIVE THE EQUIPMENT INTENDED FOR THEM BY THE CONGRESS.

MR. CHAIRMAN, THE AMERICAN PUBLIC WILL PROBABLY CONTINUE TO SUPPORT THE MUCH NEEDED BUILD-UP IN THE MILITARY POSTURE IF IT CAN SEE THAT EVERYONE IN THE LEGISLATIVE AND EXECUTIVE BRANCHES IS DOING HIS PART TO IMPROVE COMBAT EFFECTIVENESS AT THE LOWEST POSSIBLE COST. THE NAVAL RESERVE ASSOCIATION STRONGLY BELIEVES THIS CAN BE BEST ACCOMPLISHED BY GREATER USE OF THE GUARD AND RESERVE IN DEFENSE PLANNING. THIS IS PARTICULARLY TRUE IN THE NAVY. THE NAVAL RESERVE COMMUNITY HAS THE EXPERIENCE, THE DESIRE AND THE POTENTIAL TO ASSUME A SIGNIFICANTLY GREATER ROLE IN THE TOTAL NAVY STRUCTURE AT MUCH LESS COST THAN IS PRESENTLY PROJECTED.

MR. CHAIRMAN, THE NAVAL RESERVE ASSOCIATION APPRECIATES THE SUPPORT YOU AND YOUR COMMITTEE HAVE GIVEN THE NAVAL RESERVE AND LOOKS FORWARD TO A CONTINUING COOPERATIVE EFFORT TO PROVIDE THIS COUNTRY WITH A GUARD AND RESERVE CAPABLE OF STEPPING INTO THE BREECH WHEN THEY ARE NEEDED IN A (POSSIBLE) CONFLICT. FOR THE MOST PART, THE CAPABILITY IS THERE <u>IF THE SUPPORT IS PROVIDED</u>. WHEN THE RESERVE COMPONENTS HAVE BEEN MANNED AND EQUIPPED AND THEN HAVE BEEN CALLED, THEY HAVE PERFORMED ADMIRABLY IN COMBAT AND IN COMBAT SUPPORT ROLES. MR. CHAIRMAN, CONGRESSIONAL SUPPORT FOR THE GUARD AND RESERVE WILL BE REPAID MANY TIMES IN COST EFFECTIVE WARTIME CAPABLE ASSETS.

THANK YOU, MR. CHAIRMAN.

Facts - Naval Reserve Strength

1. The Administration proposes to fund 94,000 Selected Naval Reservists in FY 1983.

2. Naval Reserve strength has been a controversial issue since early 1970's.

3. Decline of NR strength went from 129,000 in FY 1973 to a low of 87,000 in Fiscal Years 1978 through 1981. Congressional action stopped decline and increased funded strength to 94,000 for FY 1982.

4. Recent history of Selected NR average strength:

FY	Navy Submission	President's Budget	Congressional - Authorized	Congressional - Funding
73	129,000	129,000	129,000	129,000
74	129,000	116,981	119,231	116,857
75	112,819	107,526	117,000	108,485
76	95,142	93,982	106,000	99,000
TQ	92,000	92,000	106,000	101,400
77	92,762	52,000	96,500	96,500
78	96,500	52,000	87,000	87,000
79	87,000	51,400	87,000	87,000
80	87,000	48,700	87,000	87,000
81	87,000	87,000	87,000	92,000 (1)
82	87,000	87,000	87,000 (2)	94,000
83	94,000	94,000		

(1) Funds diverted by OSD and strength retained at 87,000.
(2) 90,000 strength recommended by HASC but deleted in authorization conference.

5. Studies during past decade all recommended much higher strength than OSD analysts would accept:

Study	Date	Conducted by	Selected Reserve Strength Recommended
Total Force	1973-74	OSD	92,000
OP 605	1974-75	NAVY	102,000
Navy Mission Study	1976-77	OSD	95,900
Guard and Reserve (ROGAR II)	1977-78	OSD	110,000*
Navy Manpower Mobilization System (NAMMOS)	1978-ongoing	NAVY/OSD	122,760**

*Recommended 10% additional manning to ensure full wartime availability.
**NAMMOS stated requirements increase from 113,406 in FY 1983 to 122,760 in FY 1987.

6. OSD, in FY 1981, defied Congress by refusing to use appropriated funds to raise NR strength to 92,000 (Note 1).

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7. NR IS THE ONLY IMMEDIATE SOURCE OF TRAINED PERSONNEL TO AUGMENT THE ACTIVE NAVY IN THE EVENT OF WAR, NATIONAL EMERGENCY OR FOR OTHER CONTINGENCIES SUCH AS THE CALL UP OF 100,000 SELECTED RESERVISTS BY THE PRESIDENT.

8. NAVY SHORTAGE OF CRITICAL SKILLS TO MAN FLEET SHIPS COULD BE AT LEAST PARTIALLY OFFSET BY DESIGNATING NAVAL RESERVISTS TO FILL SHORTAGES.

9. PROPOSED EXPANSION OF NAVY TO 600 SHIPS WILL INCREASE NEED FOR ADDITIONAL NAVAL SELECTED RESERVISTS TO AUGMENT THE NEW SHIPS.

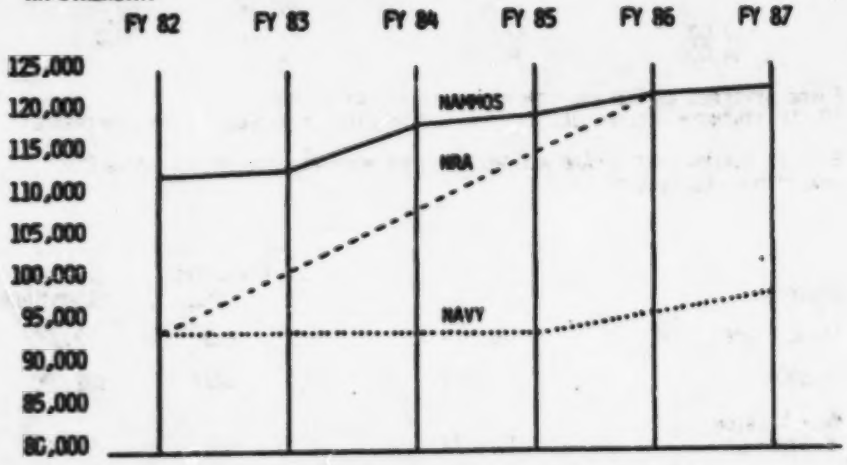
10. NAVAL RESERVE RECRUITING CAPABILITY HAS NOT BEEN TESTED SINCE STRENGTH DECLINES COMMENCED IN FY 1974. GRADUAL CLIMB TO NAMMOS NUMBERS APPEARS FEASIBLE.

11. MAXIMUM UTILIZATION OF RESERVE ASSETS WILL PROVIDE EXPANDED DEFENSE POSTURE WITH TOP NOTCH CALIBER PERSONNEL AT LOWEST POSSIBLE COST.

12. THE PLANNING CRITERIA SHOULD BE THAT: ALL MOBILIZATION MISSIONS NOT CAPABLE OF BEING PERFORMED BY THE NAVAL RESERVE SHOULD BE IN THE ACTIVE NAVY. THIS WOULD RESULT IN SIGNIFICANTLY LARGER NAVAL RESERVE.

13. GRADUAL BUILDUP OF NR STRENGTH MUST CONTINUE IF WARTIME MOBILIZATION GOALS ARE TO BE MET IN OSD TIME CONSTRAINTS (END FY 86).

14. THE FOLLOWING GRAPH ILLUSTRATES NAMMOS, NAVY PLAN AND NRA PROPOSED FOR INCREASED NR STRENGTH:



NAMMOS	112,400	113,400	117,398	118,925	120,931	121,187
NAVY	94,000	94,000	94,000	94,000	95,400	98,650
NRA	94,000	100,750	107,500	114,250	121,000	121,187

15. RECOMMENDATION:

THE NAVAL RESERVE ASSOCIATION STRONGLY RECOMMENDS THAT THE CONGRESS FUND FOR A 100,750 NAVAL RESERVE DRILLING END STRENGTH FOR FY 1983 AS PART OF A GRADUAL INCREASE IN NAVAL SELECTED RESERVE STRENGTH TO THE NAMMOS FIGURE TO BE REACHED BY END OF FY 1986. (AVERAGE DRILL STRENGTH 97,375). THE ADDITIONAL COST OVER THE BUDGET FOR FY 1983 IS $11.8 MILLION.

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FACTS - P-3A/B TAC/NAV MODERNIZATION

1. SOVIET SUBMARINE FORCE (ATTACK & STRATEGIC) IS GREATEST THREAT TO OUR NATION'S SURVIVABILITY - THREAT IS INCREASING.
2. DEFENSE PLANNERS MUST PROVIDE MAXIMUM FEASIBLE COUNTER TO SOVIET UNDERSEAS THREAT.
3. TACTICAL/NAVIGATION MODERNIZATION (TAC/NAVMOD) PROVIDES P-3A/B AIRCRAFT WITH NEAR BASELINE P-3C CAPABILITY.
4. TAC/NAVMOD PROVIDES MAJOR IMPROVEMENTS IN CRITICAL AREAS OF TACTICS, GEOGRAPHIC NAVIGATION, TACTICAL DISPLAY, DATA MANAGEMENT, RELIABILITY MAINTENANCE, CREW WORKLOAD AND SYSTEM INTEGRITY.
5. ASW CAPABILITY OF MODERNIZED AIRCRAFT IS 75% IMPROVED OVER UNMODIFIED.
6. OPEN-OCEAN ASW CAPABILITY OF UNMODIFIED AIRCRAFT UNRELIABLE.
7. FAILURE TO PROVIDE MODERNIZATION WOULD CONSTITUTE PLANNED OBSOLESCENCE.
8. RESERVE P-3 SQUADRONS WOULD MOST LIKELY BE RECALLED EARLY IN HEIGHTENED WORLD TENSION SITUATION TO BE DEPLOYED AROUND THE WORLD.
9. P-3A/B MODERNIZATION PROVIDES HIGHEST IMPROVEMENT IN CAPABILITY FOR LOWEST DOLLAR COST OF ANY DEFENSE PROGRAM.
10. MULTI-YEAR PROCUREMENT FOR A TWO YEAR BUY-OUT FOR THE REMAINING 71 NAVAL NAVAL RESERVE P-3A/B'S WOULD COMPLETE MOD PROGRAM AND PROVIDE COST SAVINGS OF APPROXIMATELY 10%-15% OVER SEPARATE YEAR PURCHASES.
11. PRESENT NAVY CAPABILITY TO INSTALL MOD KITS IS 36/YEAR.
12. PROPOSED PLAN:

RESERVE P-3A/B TAC/NAV MOD

	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983	FY 1984
KITS PROCURED	14	0	34	15		
PROCUREMENT REQUIRED (COST)*					36 ($50.4M)	35 ($49.0M)
UNMODFIED AIRCRAFT	120	120	86	71	35	-0-

*BASED ON MULTI-YEAR PROCUREMENT

13. COST FOR FY 83 WOULD BE $50.4 MILLION OVER BUDGETED REQUEST BASED UPON TWO YEAR, (FY83 AND FY84) MULTI-YEAR PROCUREMENT.
14. RECOMMENDATION: THAT THE CONGRESS FUND THE MODERNIZATION OF 71 NAVAL RESERVE P-3A/B AIRCRAFT, 36 IN FY83 FOR $50.4 MILLION AND 35 IN FY84 FOR $49.0 MILLION, IN A MULTI-YEAR PROCUREMENT THUS PROVIDING THE TAXPAYER WITH A QUANTUM JUMP IN PROTECTION FOR A MINIMUM COST.

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FACTS - NAVY AIRLIFT MODERNIZATION

1. AIRLIFT CONSOLIDATION UNDER MAC HAS BEEN ACCOMPLISHED TO THE MAXIMUM BY NAVY. AIR FORCE AGREES THAT THE REMAINING 20% IS UNIQUE TO THE NEEDS OF THE NAVY AND SHOULD BE SATISFIED BY NAVY ORGANIC AIRLIFT.

2. NAVY UNIQUE AIRLIFT NEEDS ARE CHARACTERIZED BY

   SHORT LEAD TIME,
   LOW VOLUME, AND
   HIGH FREQUENCY

   OF DEMANDS TO A MULTIPLICITY OF UNPREDICTABLE FLEET LOCATIONS FOR SATISFACTION OF URGENT REQUIREMENTS.

3. CONGRESSIONAL HEARINGS CONSISTENTLY HAVE RESULTED IN SUPPORT FOR NAVY INTRA-THEATER AIRLIFT MODERNIZATION.

4. A PORTION OF THE REQUIREMENT IS BEING SATISFIED BY ANTIQUE C-118 AIRCRAFT WHICH ARE BEING PHASED OUT WITH NO REPLACEMENT AVAILABLE EXCEPT THE PRESENT C-9 FLEET. JUST TO MAINTAIN THE STATUS QUO, A SIGNIFICANT C-9 PROCUREMENT PROGRAM IS REQUIRED.

5. DEFENSE TACTICAL AIRLIFT MODERNIZATION (DODTAM) STUDY CONDUCTED BY OSD (JANUARY-JULY 1978), CONFIRMED THE NEED FOR 32 ADDITIONAL C-9Bs.

6. THREE NEW C-9Bs WERE ADDED TO THE BUDGET IN THE LAST FOUR YEARS.

7. USED DC-9 AIRCRAFT WERE ADDED TO THE BUDGET IN FY 82 BY THE ARMED SERVICES COMMITTEES BUT WERE DROPPED OUT IN CONFERENCE.

8. IMMEDIATE, RESPONSIVE, WARTIME AIRLIFT TO FLEET COMMANDERS AROUND THE WORLD IS IMPERATIVE. A MODEST NAVY ORGANIC AIRLIFT CAPABILITY HAS BEEN CLEARLY SHOWN TO BE THE ONLY METHOD OF PROVIDING THE REQUISITE RESPONSE. CAPABILITY UTILIZED FULLY IN PEACETIME TO PROVIDE REQUIRED READINESS TRAINING AND AIRLIFT FOR FLEET AND RESERVE SUPPORT.

9. PROCUREMENT OF C-9B/DC-9 IS THE LOWEST COST OPTION TO SATISFY UNIQUE NAVY INTRA-THEATER NEEDS. ALL OTHER REQUIREMENTS SATISFIED BY MAC OR MTMC.

10. C-9B HAS BEST DISPATCH RELIABILITY RATE (97+% IN CONUS) OF ANY OPERATIONAL AIRCRAFT IN THE MILITARY INVENTORY.

11. C-9B AIRLIFT IS OPERATED BY THE NAVAL RESERVE FOR THE ENTIRE NAVY - ACTIVE AND WEEKEND WARRIOR.

12. PEACETIME ORGANIC AIRLIFT IS VITAL TO THE READINESS OF THE NAVAL RESERVE FORCE. TRANSPORTATION TO TRAINING PLATFORMS FROM DRILL SITES NECESSARY FOR HANDS-ON READINESS TRAINING.

13. QUICK RESPONSIVE AIRLIFT FOR ACTIVE AND RESERVE NAVY PERSONNEL SHOWS PERSONNEL NAVY CARES FOR THEIR WELL BEING. VERY IMPORTANT RECRUITING/RETENTION TOOL.

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14. LEASE/BUY OF USED DC-9s MOST EXPEDITIOUS AND ECONOMICAL WAY OF SOLVING IMMEDIATE NAVY AIRLIFT NEEDS AND RETAINING TRAINED PERSONNEL.

BUY USED DC-9s (8/FY 83, 4/FY 84)

FISCAL YEAR	FY-83	FY-84	FY-85
FLYAWAY COST	(8) 50.0	(4) 25.0	(0) -
SITE SUPPORT(*)	8.0	2.5	-
SPARES (INITIAL(*)	16.0	8.0	-
O&MNR (POL)	14.3	19.0	19.0
O&MNR (MAINTENANCE)	4.7	6.2	6.2
O&MNR (TRAINING)**	.8	-	-
SUB TOTAL	93.8	60.7	25.2
LESS FY 83 BUDGET PROCUREMENT	(16.2)		
LESS FY 83 C-118 O&MNR (1/2 YEAR)	(4.1)		
TOTAL	73.5***		

(PROCUREMENT 57.8 O&MNR 15.7)***

LEASE 12 USED DC-9s

FISCAL YEAR	FY-83	FY-84	FY-85
LEASE (O&MNR)	12.0	12.0	12.0
SITE SUPPORT	11.4	-	-
SPARES (INITIAL)	21.0	-	-
O&MNR (POL)	14.3	14.3	14.3
O&MNR (MAINTENANCE)	4.7	4.7	4.7
O&MNR (TRAINING)	.8	-	-
SUB TOTAL	64.2	31.0	31.0
LESS FY 83 BUDGET PROCUREMENT	(16.2)		
LESS FY 83 C-118 O&MNR	(4.1)		
TOTAL	43.9***		

(PROCUREMENT 16.2 O&MNR 27.7)***

*COSTS BASED UPON UNKNOWN OFFER OF USED DC-9-31 AIRCRAFT WHICH INCLUDES MUCH SITE SUPPORT AND SPARE PARTS.
**TRAINING COSTS FOR 64 PILOTS AND 22 ENLISTED CREW.
*** OVER BUDGET REQUESTS.

15. OFFSETTING COSTS IN FY 83 BUDGET ARE $16.2M IN PROCUREMENT AND $4.1M IN O&MNR.

RECOMMEND - PURCHASE EIGHT (8) USED DC-9s AT THE COST OF $73.5 MILLION OVER BUDGET IN FY 1983 (INCLUDES PROCUREMENT AND O&MNR).

Mr. MURTHA. We appreciate your advice and will certainly take under consideration the comments you have made.

Mr. Robinson?

Mr. ROBINSON. Thank you, Mr. Chairman. I echo your sentiments.

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TUESDAY, AUGUST 10, 1982.

NONCOMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

WITNESS

RICHARD W. JOHNSON, NATIONAL LEGISLATIVE DIRECTOR

Mr. MURTHA. The next witness is Mr. Richard Johnson, Noncommissioned Officers Association.

I might mention that if you take the entire 10 minutes, we don't have a chance to compliment the witnesses or a chance to ask any questions. You may keep that in mind.

STATEMENT BY MR. JOHNSON

Mr. JOHNSON. I like compliments. I'll take as little time as possible.

Mr. Chairman, Mack McKinney, the Association's Executive Director hoped to be here this morning. I regret he couldn't attend. He has been called before the Senate to talk about military personnel matters. Hopefully, you will accept me as a substitute. I am the National Legislative Director for the Association.

NCOA is people, members, former members of the Armed Forces who are concerned with the nation's defense and the role they play in providing it. Beyond that, they are concerned with their own well-being, their family's well-being, and their own future. Issues I will discuss today exact on readiness, morale, training, retention in our armed forces.

COMPENSATION AND QUALITY OF LIFE ISSUES

R&D and procurement are important parts of the defense equation. Force modernization is an important and achievable goal. New weapons and equipment are useless unless the experienced personnel are manning the force and they are properly trained to do their job. During the past several years, the Armed Forces lost many of their experienced Noncommissioned and Petty Officers, people needed to maintain the force. Pay improvements and congressional attention to quality of life items have helped to stem this exodus of talent from the armed services. The poor economy has also helped in this regard, but recovery for the armed forces is still years away. Recruiting is up, but as the economy begins to improve, recruiting may again decline. In any case, new recruits have no experience and are of little use to the services unless they receive guidance, training, and leadership from experienced personnel. Therefore, in our opinion, Congress must maintain pay and benefits at adequate levels. This year's NCOA believes an 8 percent pay increase, again targeted toward the Noncomissioned and Petty

Officer, is needed; but in addition to pay, there are a number of other items which should be addressed.

First, continued improvement of the CHAMPUS program and the funding of a CHAMPUS dental program are necessary. For military personnel stations away from military facilities—as an example recruiters—CHAMPUS should be funded to fully pay all medical expenses, a hundred percent of those expenses.

Second, per diem and travel allowances should be adjusted to more adequately reflect member needs; per diem equity should be fully funded.

Third, Congress should reconsider the importance of enlisted education programs, an important morale item, one that is always important to readiness.

As an example, enlisted degree completion programs were terminated several years ago because of funding limitations. More recently, the Navy has cut the tuition assistance program. These cuts have also been compounded by recent congressional decisions which happened over the veterans affairs to terminate correspondence training for all veterans and this impacts directly on the force because many of the people we have in the force today can use those same veterans programs.

Mr. Chairman, those cuts are just a few of the pay and quality of life issues that we believe should be fully funded. They all impact directly our morale, retention and readiness. Hopefully, the committee will make them a top priority for Fiscal Year 1983.

Direct compensation and quality of life items are only a part of what is needed to maintain readiness and morale in the force. In addition, operations and training funding is critical. O&M cuts, as General Roberts mentioned a few minutes ago, are the easiest to make because they are the benefits—because the benefits of such spending are less tangible. A product can be shown for an expenditure of R&D and procurement funds, but how can we show the value of sending out an infantry battalion with a million dollars worth of ordnance? Words on paper can't qualify that value, but we believe these expenditures are gained over time and time again in experience, readiness and morale. We ask the committee to give special consideration to fully funding these needs.

Mr. Chairman, as I said earlier, Mack McKinney wanted to be here. It is his prepared statement submitted this morning that provides a more detailed explanation of the Association's position on appropriations for this year. I ask his statement be entered in the record. That concludes my remarks.

[The statement of C. A. (Mack) McKinney follows:]

THE NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

"STRENGTH IN UNITY"

STATEMENT OF

C.A. (MACK) McKINNEY
Sergeant Major USMC Ret.
Executive Director for Government Affairs

before the

SUBCOMMITTEE on DEFENSE
COMMITTEE on APPROPRIATION
U.S. HOUSE OF REPRESENTATIVES
97TH CONGRESS, SECOND SESSION

on

FY 1983 DEFENSE APPROPRIATIONS

August 10, 1982

NATIONAL CAPITAL OFFICE, WASHINGTON, D.C.
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INTRODUCTION

MR. CHAIRMAN. As a spokesman for the NON COMMISSIONED OFFICERS ASSOCIATION of the USA (NCOA) I extend appreciation for the opportunity to comment today on the legislative proposal before this distinguished panel, the FY 1983 Defense Appropriations Bill.

I am C.A. "Mack" McKinney, a retired Sergeant Major, United States Marine Corps, and the Executive Director for Government Affairs, NCOA.

I represent more than 250,000 noncommissioned and petty officers of the United States Armed Forces. Eighty-three percent are on active duty with the Army, Navy, Marine Corps, Air Force and Coast Guard. The remainder consist of reservists, national guardsmen, retirees and former members of the armed forces.

PREFACE

A recent Baltimore Sun news excerpt translated from a Soviet-published pamphlet the following quote of Marshal Nikolai V. Ogarkov: "(The) capability to furnish the troops and naval forces with trained and prepared resources of personnel and equipment ... predetermine the necessity of precisely planned measures in peacetime and coordinated actions on entry by the Armed Forces into a war and defeat of the aggressor will depend in large measure on full and high-quality execution of all these measures."

This statement could have been made by one of our own military leaders. They are acutely aware, as all Americans should be, that wars are prevented by maintaining an armed force that is well-trained and well-equipped. How well-off the military will be depends in large measure on the full cooperation of Congress and the high-quality execution of the programs that are funded by our legislative process.

Regretably, there are many who believe that our armed forces have all that is needed to deter an attack on the United States or its allies or to defend U.S. commitments world-wide in the event of war. This same euphoria has lived with us time and time again. Fortunately, past aggressions were delayed by distances involved and the U.S. had time to mobilize its manpower and economy to meet wartime plans.

Today, there are no distances, neither strategically nor conventionally. The United States must be fully-prepared and have the capability to meet the challenges of modern-day aggressions.

Congress should understand that one of the highest priorities under the Constitution is to provide a defense for the people. If our legislative officials continue to cut funds for personnel, Operations and Maintenance, procurement, and research and development, our soldiers, sailors, marines, airmen and coast guardsmen, both active and reserve, will not be trained nor have the equipment to defend the U.S. and its citizens.

NCOA is opposed to most reductions and addresses each of them in the following text.

COMPENSATION

Some time ago, and for a period of four-to-five years thereafter, NCOA warned this distinguished panel as well as its counterpart in the Senate, and both the Seante and House Armed Services Committees, that the United States was facing major losses of qualified and experienced Noncommissioned and Petty Officers of the Armed Forces. It urged Congress to act expediously to deter the anticipated exodus. Regretably, Congress reacted too late and by 1980 the military services were alarmingly short of career enlisted personnel who recruited, trained, and led the bulk of military manpower— those in pay grades E-1 thru E-5.

It was only upon the public announcements of the then Chief of Naval Operations and Army Chief of Staff, that their services were suffering serious manpower-readiness deficiencies, that Congress concerned itself with the situation. The increases in pay and allowances that Congress provided in late 1980 and again in 1981, stopped the flow of experienced manpower— but not before it was too late.

Today, the Association finds a false euphoria among many governmental officials relative to the current military manpower picture. Recruiting is excellent and retention is running at a better-than-expected rate. However, it will be some years before the Armed Forces are able to overcome their shortages of skilled and experienced NCOs and Petty Officers. The Army and the Navy, particularly, are short tens of thousands of these middle-grade and senior enlisted personnel. Although, their ranks may be filled through accelerated promotions, the ability, skills and experience are not there, and only time— if we have it— will heal the wound that now exists.

This distinguished panel has heard from many senior Defense and military officials who boast that everything appears to be working well. In a sense this is true, but only if Congress continues to improve the quality-of-life for the men and women who volunteer to serve in the Nation's military services. If these servicemembers, particularly NCOs and Petty Officers, find that Congress will cut back in FY 1983 on improvements and equipment, which appears to be the case, and the civilian economy takes a turn for the better, they will begin another exodus that could be more damaging than the last one.

The Association will not belabour the fact that there is a broad difference between the men and women who served 10, 20, or 30 years ago and those serving today. However, we can recognize the fact that the American way-of-life has accustomed our citizens, particularly the young, to expect more and better means of livelihood. The current crop of servicemembers now live and socialize with their civilian brothers and sisters. They do not complain of the "X" factor of military life that separates them from the civilian sector, but they do insist on having a nearly-comparable quality-of-life for themselves and their families which is available to the civilian community.

You will find to your liking a new countenance in the armed forces. The average junior servicemember of three years ago has been replaced by one who is more competent, dedicated, proud, and who possesses a higher-level of educational attainment prior to enlistment in the military service. Recruitment and retention of this type of servicemember is reducing the attrition rate and stabilizing the forces to a point where assession and training costs will be significantly curtailed in the coming years.

There is a new hope among servicemembers. It is essential that Congress continue the momentum of 1980 and 1981 or else the Nation shall find itself unable to meet the military manpower challenges of tomorrow.

RECRUITING

With the high accession rates now enjoyed by the military services, Congress is prone to curtail appropriations for the recruiting services. In late 1982, if we are to believe the Administration's forecast, the economy will have an up-swing from its current recession.

When this occurs, and NCOA derives its knowledge from experience, more and more young men and women will choose not to enlist in the armed forces, regardless of the pay, bonuses, and allowances offered by the military services. Then too, there will be fewer young people in the job market that are available for recruiters to contact and, possibly, enlist in the armed forces.

NCOA believes it is not only a necessity for Congress to fully fund the recruiting and advertising requests of the military services, but to take a hard look at the sacrifices many recruiters must make to successfully fulfill recruiting missions.

There are tens of thousands of military personnel assigned to recruiting and independent-type duties who are far removed from military installations. Although they are in receipt of extra-allowances, the payments are not equal to the losses suffered by not having access to military medical care, commissaries, exchanges, and morale, welfare, and recreational (MWR) facilities.

For too long Congress has ignored these people offering only bits here and there to improve their way of life. It should be recognized that these servicemembers experience greater challenges; financially, physically, and mentally; than those who serve on most military installations.

One important point that needs to be brought to the attention of this distinguished panel is dependents of military personnel on independent duty, with no availability to military installations. They should have 100 percent coverage under CHAMPUS. It is only fair and reasonable that Congress provides them this badly needed financial assistance.

OTHER O&M ACTIVITIES

There is talk of reducing other O&M functions that maintain the quality-of-life programs for servicemembers. NCOA is in hope that it is nothing more than conjecture and Congress does not take such proposals under serious consideration. Any reductions in commissary funds, medical benefits, travel and transportation, or other subsidies will not be lightly taken by the men and women in uniform.

Frankly, the perception that Congress, again, is using military personnel programs to reduce expenditures is having a serious affect on morale. This factor is addressed later in discussing the next subject matter; however, it is important that Congress pay particular attention to the ailment. If festered by actual cuts across-the-board without consideration of the ramifications involved, servicemembers are going to "vote with their feet." NCOA states unequivocally that the Nation can ill afford further losses of qualified and experienced military personnel.

Many governmental officials, including members of the Senate and House, are suggesting that if the Administration or Congress explains the current federal financial situation to servicemembers, the latter group will be willing to sacrifice. NCOA submits that such may be true of newer servicemembers, but it may not have too much credibility with those who have more than four years of service. Career personnel (those with four or more years of service) know they were the "sacrificial lamb" back in the 1970s when the economy was doing well. During that decade, servicemembers felt the stings of one curtailment after another. Benefit after benefit lost out to budget cutters. Then, if not enough, two former Presidents imposed caps on military pay because they claimed that such action would set an example to the civilian sector— the group that was enjoying higher and higher salaries as each year progressed to the other.

Of course, all of us are acutely aware that the Presidential caps did nothing to restrain the wages in the civilian community. And all of us are aware that the 1980 and 1981 increases in pay and allowance brought military compensation to a "comparable" level with civilian salaries, but did nothing to make-up for the lean years that went before.

To ask military personnel to "bite the bullet" because the civilian sector must now do so, is like asking a half-naked person to give up his or her pants simply because others are now being asked to suffer the loss of only their shirts.

EQUIPMENT AND WEAPONS

For reasons that may be obscure to the Association's officials and membership, the FY 1983 defense budget requests billions of dollars for the procurement of strategic weapons. The United States should possess sufficient nuclear systems that are adequate to deter the Soviet Union from using like weapons as a threat against the United States.

The need, as explained to NCOA representatives by high-ranking military officials and its own membership of active, reserve and guard NCOs and Petty Officers, is in the conventional forces. Our armed services personnel are not armed with the weaponry and equipment that is required to stop an aggressive conventional attack on the U.S. and/or NATO by superior Soviet forces.

The Association has not provided a chart depicting the relative number of U.S./NATO weapons v. those of the U.S.S.R./Warsaw Pact. It believes the Subcommittee is quite familiar with the comparative figures and need not be reminded of the disparity involved. The numbers speak for themselves and NCOA believes it must be a congressional priority to mandate the expedient arming of U.S. Forces with modern, technologically-superior weapons, both offensive and defensive, as well as providing the necessary logistical support to sustain our servicemembers over a lengthy period of warfare.

Our servicemembers may be superior to those of the Soviet armed forces, but can we, in good conscience, place our well-trained personnel— armed with only a bayonet— up against a weaker foe carrying an automatic rifle. That, in perspective, is exactly what we're doing today with the all-volunteer force.

The Association, earlier in this statement, referenced the morale factor. It is extremely important in dealing with people, in particular, military personnel. Adequate compensation and quality-of-life improvements are required, but it is also necessary that the services provide the proper equipment and weapons for the troops to have for training and immediate availability in the event of emergency mobilization. If not, the servicemembers lose their sense of direction, become insensitive to the mission they know cannot succeed, and convinced that their time in training is wasted on promises that never materialize.

When morale sags, so does performance. Napolean once observed that an army's effectiveness depends on its size, training, experience and morale— and morale is worth more than all the other factors combined.

RETIRED PAY

The Association has attached to this statement a letter expressing the views of 14 private military organizations, including NCOA, on the proposal to reduce the annual adjustments to military retired pay. The group, known as the Council of Military Organizations (COMO), represents more than one and one-half million active, retired, reserve and guard members of the U.S. armed forces and their families. Your attention is invited to the contents of the letter.

Additionally, NCOA offers this thought for your consideration: The vast majority of military retirees were not recipients of the higher rates of pay provided in today's all volunteer force. Many, about two-thirds of the retired compenent, are enlisted. Their pay while on active duty for 20, 30, or more years was always at or near the poverty level. They made great financial sacrifices in the service of their country while many of their fellow citizens reaped higher salaries in the civilian job market. However great their sacrifices, they were always promised an adequate compensatory reward in retirement.

Many of them participated in combat in one, two or three wars. They served so that this Nation would remain a democracy in which everyone had the opportunity to improve themselves. They served while others sought greater rewards in the civilian sector.

In it inconceivable that anyone would attempt to place these dedicated men and women in an all-encompassing group of federally sponsored retirees, then call upon them again to make more sacrifices for their country. The Association submits that military retirees have already done their part. They have contributed more than their share. Let's not ask them to do more until all others have shouldered their part of the Nation's burden.

CONCLUSION

These are hard times. There are demands to balance the budget or reduce anticipated deficits in the proposed FY '83 budget. However, the Nation must not permit the defense posture of its armed forces to lag further behind that of the Soviets'. Experienced manpower and well-equipped forces with weapons that are superior to those of the Soviet Union is the only way the United States can meet its defense commitments and be prepared to protect its world-wide interests.

The Nation has demanded an all-volunteer force rather than have its youth subject to universal military service. So be it, but the Nation's tax payers must be prepared to pay the high costs involved. The AVF cannot continue to be a success without the firm commitment of our citizens and this Congress. And, both must be willing to provide the military with adequate equipment and weapons to arm the AVF for any mission that is required under any and all circumstances. To do otherwise is not only breaking faith with those who serve in our armed forces, but placing our Nation under greater threat from world-wide Soviet intervention or aggression.

Consequently, the Association petitions this Subcommittee and Congress to appropriate the necessary funds to:

1. provide an 8 percent "targeted" pay increase on Oct. 1, 1982, for the active, reserve, and guard components of the U.S. armed forces;
2. implement the programs authorized by law that were not funded or fully funded for FY 1982 (i.e.— equitable per diem payments to enlisted personnel);
3. continue improving the quality-of-life programs for the active and reserve forces that were originally requested for O&M in the President's FY 1983 budget;
4. adequately equip and arm the conventional forces to meet their commitments as established in law and policy; and
5. retain the current system in law that annually readjusts military retired pay.

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Council of Military Organizations (COMO)

P.O. Box 1006 • Alexandria, VA 22313

MEMBER ORGANIZATIONS

AIR FORCE SERGEANTS ASSOCIATION
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FLEET RESERVE ASSOCIATION
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MARINE CORPS LEAGUE
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MARINE CORPS RESERVE OFFICERS
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Alexandria, VA 22314

NATIONAL ASSOCIATION FOR UNIFORMED SERVICES
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NATIONAL MILITARY WIVES ASSOCIATION
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NAVAL ENLISTED RESERVE ASSOCIATION
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THE RETIRED OFFICERS ASSOCIATION
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U.S. COAST GUARD CPO ASSOCIATION
927 S. Walter Street
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Arlington, VA 22204

U.S. COAST GUARD CWO & WO ASSOCIATION
402 L'Enfant Plaza—East S.W.
Washington, D.C. 20024

The Council of Military Organizations (COMO), consisting of fifteen military oriented organizations representing over one and a half million active and retired members of the uniformed services and their families, is deeply concerned about the Administration's proposed reductions in the military compensation system. In effect, these proposals will place an inordinate share of the economic recovery program on the shoulders of people who have given dedicated service to their country. Furthermore, this will be perceived as a blatant breach of trust in which the government, after accepting service, elects to change the terms of that service.

The military retired pay system is the single most significant factor that causes a member to select a military career. Reducing the value of the retirement system will most certainly lessen the services' ability to retain a career oriented professional force. The current success in the recruitment area can be attributed to two primary factors: 1) the recent increases in pay and allowances, and 2) the high unemployment rate that exists in the civilian sector. This success will show dividends only if these newly acquired members are encouraged to reenlist and extend beyond their current commitments. To limit the inducements to reenlist now by drastically diminishing the value of the retirement system would be most foolhardy and ill advised. By enacting the proposed legislation, the national security of our nation could be placed in serious jeopardy through the failure to retain a career force with the ability to maintain and use the technically complicated weapons of modern warfare, and to train others in their use.

Since 1972, basic pay has been subjected to frequent pay caps and reallocations of annual pay adjustments resulting in a depressed initial retired pay. Retirees have been victimized by repeated reductions in the value of their retirement compensation since 1958; the most recent the annualizing of the cost of living adjustment last year. All active duty and retired members will view these current proposals as a breach-of-faith by their government in changing the compensation they expected to receive for the military service they have performed.

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Many dependents receiving benefits from the military survivors benefit plans (RSFPP/SBP) will also be adversely affected by these proposals. Retirees who elected to contribute a share of their retirement income for coverage under these programs expected their survivors to receive a level of benefits which were inflation protected. Enactment of the proposed legislation would cause a constant erosion in the standard of living of these beneficiaries. In fact, some of the savings contemplated in this legislation may not be realized since the reduction in SBP benefits, in certain instances, would be replaced by increased Social Security benefits.

Before any action is taken on these proposals it is strongly recommended by the Council of Military Organizations that a thorough detailed analysis be made to insure that the best interests of our nation are served. To approve these proposals arbitrarily in order to achieve short term savings would indeed be a disservice to the men and women who dedicated the best years of their lives to the defense of this nation.

EXECUTIVE DIRECTOR
A.F.S.A.

NATL. EXEC. SECTY.,
F.R.A.

EXEC. DIRECTOR
M.C.L.

NATIONAL PRESIDENT
M.C.R.O.A.

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ATTACHMENT - page 2

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Mr. MURTHA. Mr. Johnson, when the service comes before us and wants to reprogram O&M funds for other purposes, they have a difficult time. They have to be very specific on exactly what they have in mind. I appreciate your suggestion. We have found by cutting spare parts, maintenance, and things like that, you are just hurting yourself in the long-run. That has been the habit of the armed services to take that position.

The other point you make is something I think we will certainly take into consideration. We have some relative difficulty this year. Part of it—and I told the Secretary of Defense this when he first appeared before the subcommittee—if we had this big tax cut, defense was going to suffer in the long-run. I think we are seeing that happen. Next year will be tougher because of the big outlays and big ticket procurement items. We certainly will watch, trying to make sure that they don't cut back on the things that are absolutely essential. You can talk about procurement of big military items, but it is obvious your suggestions about needing skilled personnel are essential to the defense of the country.

Mr. JOHNSON. Big items don't mean a thing without the people to operate them.

Mr. MURTHA. We appreciate your suggestion. We will very carefully study what you have to say. You have been helpful to us in the past. We appreciate any suggestions you make in the future.

Thank you very much.

TUESDAY, AUGUST 10, 1982.

NAVAL ENLISTED RESERVE ASSOCIATION

WITNESSES

SENIOR CHIEF MICHAEL BUCKLEY, NATIONAL EXECUTIVE DIRECTOR
CHARLES R. VOLUSE, VICE PRESIDENT
JOHN B. THOMAS, LEGISLATIVE DIRECTOR

Mr. MURTHA. Next we will hear Senior Chief Michael Buckley, National Executive Director of the Naval Enlisted Reserve Association.

STATEMENT BY MR. BUCKLEY

Mr. BUCKLEY. Thank you, Mr. Chairman.

I would like to introduce on my right Master Chief Charlie Voluse, our Vice President; on my left, Master Chief John Thomas, our Legislative Director.

Our Association would like to thank you for the opportunity to appear before the committee and also for the dedication and determination to provide a strong defense for our country. I would like to summarize our statement and request that our complete statement be entered into the record.

Mr. EDWARDS. It will be entered without objection.

Mr. BUCKLEY. Our purpose in appearing before this committee is to discuss the Naval Reserve Appropriations issues for Fiscal Year 1983.

DRILL PAY STRENGTH

In Fiscal Year 1982, our Association recommended to Congress a realistic rate of growth of the Naval Reserve drill pay strength to meet the wartime requirements validated by the Navy's manpower modernization system. Congress increased the drill pay strength in fiscal year 1982 to 94,000. The Naval Enlisted Reserve Association suggested that Congress continue to gradually increase until the NAMMOS requirements of approximately 121,000 billets are met for Fiscal Year 1983. We propose the funding should be appropriated for an increase of 100,750 Naval Reserve drill pay strength. This will continue the realistic rate of growth recommended by our Association in the Fiscal Year 1982.

It is much less expensive to fund Reserves in peacetime for a wartime mission than to fund them in the Active Forces. The Selected Naval Reserve is the only source of trained manpower immediately available to augment the Active Navy in the event of war, national emergency, or any other contingencies which would require Presidential authority to call up as many as 100,000 Selected Reserve for a 90-day period.

RECRUITING FORCE

Our Association also recommend that funding be provided to increase the size of the recruiting force in the Naval Reserve. Currently, there are approximately 459 recruiters assigned to recruit and sustain a Selected Reserve of 87,000. We propose an additional 150 recruiters to effectively recruit the right skill and mix of the additional 7,000 billets in the current fiscal year. It is also our recommendation that the recruiter contract be increased from 1 to 3 or even 4 years.

Mr. Chairman, Naval Reserve recruiters are professionals, but are faced with pressure and threats of being fired or not continued. Stability and security must be assured.

SHIP FORCE

As far as the Naval Reserve for ships, in fiscal year 1981, the Defense appropriation bill directed the Navy to take certain actions concerning the Naval Reserve force ships as to the ships manning, the ship operation, the command structure, the homeporting, and replacement of ships. Funding in fiscal year 1982 Defense appropriation report, the committee noted the Navy had accomplished a very small part of these actions. The committee insisted that the Navy proceed to attain a 50 percent Active and 50 percent Selected Reserve crew mix with a phase-in of TAR personnel to replace the regular Navy crew members. To date, two years later, this has not been accomplished and there isn't any evidence that the Navy plans to carry out congressional guidelines.

Currently, two FF-1052 ships have been transferred to the Naval Reserve force. Each of these ships are commanded by a USN officer. This procedure, as with the enlisted personnel, is not in conformance with Congressional direction to the Navy. It is our opinion that the expertise and integrity of the Naval Reserve itself are being questioned. The ships operations and management control given to the Chief of the Naval Reserve by Congress has been changed by the Navy to only operations scheduling of the Naval Reserve force ships. The TYCOMS continue to be responsible for the scheduling of all other evaluations plus material, logistics, and maintenance support of the NRF frigates.

MARITIME CONVOY ESCORT ROLE

The Naval Enlisted Reserve Association foresees more fleet exercises that are not mission oriented and less readiness training for the Selected Reserve crew as was experienced with the NRF destroyers. Now that the Maritime Convoy Escort role has been assigned to the Naval Reserve by mutual agreement of Congress and the Navy, the Navy Enlisted Reserve Association feels that the Navy has not expeditiously moved forward to implement congressional direction.

AIRLIFT MODERNIZATION

In order not to be repetitious in our testimony, regarding the P-3A's and at TAC/NAVMOD, Navy airlift modernization and reserve P-3C procurement, the Naval Enlisted Reserve Association

fully supports the testimony presented by the Naval Reserve Association.

However, it must be noted that recently the scheduled airlift of Reservists have not been reliable because of the conditions of the C118's. Reservists have been left at pickup points due to the down time of the C118's.

COMPENSATION ISSUES

On the compensation issues, the Navy recently announced a policy for enlisted Naval Reservists on a 30-year program. The establishment of this program would retire Reservists at a probable age of around 50 years old. It is evident that there will not be any entitlements for these retirees until they reach the age of 60.

Our Association strongly recommends that either congressional direction be given to the Department of Defense of enactment of legislation to provide compensation in the form of commissary and exchange privileges for the retirees while waiting the retirement pay or provide the retirees with retainer pay at an early age.

Mr. Chairman, there have been many actions initiated involving compensation in one form or another for Reserves and guard personnel. Every few of those have progressed among—beyond the initial stages of fruition. One of the most important bills introduced concerning compensation is H.R. 1491, medical coverage for the Guard and Reserve. There are many horror cases concerning drilling Reservists who were injured or crippled while enroute to or from drill sites. NERA will provide case histories for the record, if desired.

Also, Mr. Chairman, it has just come to our attention that the new Naval Reserve maintenance facility to be commissioned in October will have enlisted manning of a hundred percent USN personnel and 75 TARS instead of a 25 USN and 25 TAR.

The percentage has increased to 30 percent USN and 20 percent TAR. If the Naval Reserve force is to be as Congress intended, this procedure must stop.

Mr. Chairman, this completes our statement. We would be happy to address any questions or provide any answers to this committee.

[The statement of Senior Chief Buckley follows:]

NAVAL ENLISTED RESERVE ASSOCIATION
NERA NATIONAL HEADQUARTERS NERA BUILDING
6703 FARRAGUT AVENUE, FALLS CHURCH, VIRGINIA 22042
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STATEMENT OF

SENIOR CHIEF MICHAEL BUCKLEY, USNR (RET), NATIONAL EXECUTIVE DIRECTOR OF THE NAVAL ENLISTED RESERVE ASSOCIATION BEFORE THE SUBCOMMITTEE ON DEFENSE, HOUSE APPROPRIATIONS COMMITTEE, TUESDAY AUGUST 10, 1982

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MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I PREFACE MY FORMAL STATEMENT WITH SINCERE APPRECIATION ON BEHALF OF THE NAVAL ENLISTED RESERVE ASSOCIATION AND MYSELF FOR THE PRIVILEGE AFFORDED US TODAY TO APPEAR BEFORE YOUR SUB-COMMITTEE. WE ALSO WANT TO THANK THE COMMITTEE FOR ITS DEDICATION AND DETERMINATION TO PROVIDE A STRONG DEFENSE FOR OUR COUNTRY.

OUR PURPOSE IN APPEARING BEFORE THIS COMMITTEE IS TO DISCUSS THE NAVAL RESERVE APPROPRIATIONS ISSUES FOR FY 1983.

IN PRIOR FISCAL YEARS 1978 THROUGH 1981 THE CONGRESS STABILIZED THE SELECTED NAVAL RESERVE STRENGHT AT 87,000 BILLETS. IN FISCAL YEAR 1982 BUDGET HEARINGS, THE NAVAL ENLISTED RESERVE ASSOCIATION COMMENTED ON THE ADMINISTRATION'S PLANS TO BUILD A 600 SHIP NAVY OVER THE NEXT FIVE YEARS A PLAN THAT OUR ORGANIZATION STRONGLY SUPPORTED. WE ALSO STATED THAT A SIGNIFICANT INCREASE IN NAVAL RESERVE DRILL PAY STRENGTH SHOULD BE INCLUDED TO ALLOW FOR AUGMENTATION IN THE EVENT OF MOBILIZATION, AND IT WOULD BE THE MOST ECONOMICAL MEANS OF PROVIDING WARTIME ASSETS. THE NAVAL ENLISTED RESERVE ASSOCIATION ALSO RECOMMENDED A REALISTIC RATE OF GROWTH TO MEET THE WARTIME REQUIREMENTS VALIDATED BY NAMMOS (NAVY'S MAN POWER MOBILIZATION SYSTEM).CONGRESS INCREASED THE SELECTED NAVAL RESERVE STRENGTH IN FY82 TO 94,000 BILLETS. OUR ORGANIZATION SUGGESTS THAT CONGRESS CONTINUE GRADUAL INCREASE IN THE NAVAL RESERVE STRENGTH UNTIL THE NAMMOS REQUIREMENTS OF APPROXIMATELY 121,000 ARE MET. FOR FY 83 NERA PROPOSES THAT FUNDING SHOULD BE APPROPRIATED FOR AN INCREASE TO 100,750 NAVAL RESERVE DRILL PAY STRENGTH, THIS WILL CONTINUE THE REALISTIC RATE OF GROWTH RECOMMENDED BY OUR ORGANIZATION IN FY81 AND FY82.

IT IS MUCH LESS EXPENSIVE TO FUND RESERVES IN PEACETIME FOR

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A WARTIME MISSION THAN TO FUND THEM IN THE ACTIVE FORCE. FAILURE TO PROVIDE FUNDING FOR A GRADUAL INCREASE IN NAVAL RESERVE STRENGTH TO MEET WARTIME REQUIREMENTS APPEARS TO BE UNWISE AND CONTRARY TO THE NATIONAL DEFENSE EFFORT. THE SELECTED NAVAL RESERVE IS THE ONLY SOURCE OF TRAINED MANPOWER IMMEDIATELY AVAILABLE TO AUGUMENT THE ACTIVE NAVY IN THE EVENT OF WAR, NATIONAL EMERGENCY, OR FOR OTHER CONTINGENCIES WHICH WOULD REQUIRE USING PRESIDENTIAL AUTHORITY TO CALL UP AS MANY AS 100,000 SELECTED RESERVISTS FOR A 90 DAY PERIOD.

THE ADDITIONAL COST TO INCREASE AVERAGE DRILL PAY STRENGTH TO 100,750 OVER THE BUDGET FOR FY1983 IS APPROXIMATELY $23 MILLION.

MR. CHAIRMAN, ALTHOUGH IT IS PROBABLY NOT WITHIN THE PURVIEW OF THIS COMMITTEE, NERA RECOMMENDS CONGRESSIONAL DIRECTION TO THE NAVY TO INCREASE THE SIZE AND STABILITY OF THE RECRUITING FORCE OF THE NAVAL RESERVE. CURRENTLY THERE ARE APPROXIMATELY 459 CANVASSER RECRUITERS ASSIGNED TO THE CHIEF OF NAVAL RESERVE TO RECRUIT AND SUSTAIN A SELECTED NAVAL RESERVE OF 87,000. NERA PROPOSES THAT THE RECRUITING FORCE BE INCREASED AN ADDITIONAL 150 RECRUITERS, TO EFFECTIVELY RECRUIT THE RIGHT SKILL MIX OF THE ADDITIONAL 7,000 BILLETS IN THE CURRENT FISCAL YEAR. STABILITY AND SECURITY ALSO MUST BE CONSIDERED FOR THE CANVASSER RECRUITER. AT THE PRESENT TIME A RECRUITER IS RECALLED FOR ONE YEAR AT THE DISCRETION OF THE COMMANDING OFFICER, READINESS COMMANDER AND THE CHIEF OF NAVAL RESERVE. NERA ALSO RECOMMENDS THAT THE RECRUITER CONTRACT BE INCREASED FROM ONE YEAR TO THREE OR FOUR YEARS. MR CHAIRMAN, NAVAL RESERVE RECRUITERS ARE PROFESSIONALS, BUT ARE FACED WITH PRESSURES AND THREATS OF BEING FIRED OR NOT CONTINUED. STABILITY AND SECURITY MUST BE ASSURED.

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SELECTED RESERVE ACCOUNTING

THE NAVAL RESERVE IS COMPRISED OF MANY CATEGORIES OF PERSONNEL I.E. ACTIVE DUTY, RETIRED, STANDBY RESERVE, READY RESERVE, RETIRED RESERVE AND SELECTED RESERVE.

THE SELECTED RESERVE AS DEFINED BY LAW ARE MEMBERS IN A DRILL PAY STATUS. TO INCLUDE TARS (TRAINING AND ADMINISTRATIVE RESERVE) WHO ARE FULL TIME ACTIVE DUTY AND IMA PERSONNEL WHO ARE NOT IN A DRILL PAY STATUS AS MEMBERS OF THE SELECTED RESERVE AS PROPOSED BY OSD IMPOSES A FALSE DRILL PAY STRENGTH.

THE NAVAL ENLISTED RESERVE ASSOCIATION RECOMMENDS THAT CONGRESS REJECT THE ADD-ON OF 11,800 TAR PERSONNEL AND 500 CATEGORY D IMA PERSONNEL FROM THE SELECTED RESERVE STRENGTH.

NRF SHIPS

THE FY 1981 DEFENSE APPROPRIATIONS BILL DIRECTED THE NAVY TO TAKE CERTAIN ACTIONS CONCERNING THE NAVAL RESERVE FORCE (NRF) SHIPS.

1. SHIP MANNING - A CREW OF 50 PERCENT ACTIVE AND 50 PERCENT SELECTED RESERVE WITH A PHASE-IN OF TAR PERSONNEL TO REPLACE THE ACTIVE DUTY CREWS.
2. SHIPS OPERATIONS - NRF ESCORTS WILL OPERATE UNDER THE DIRECTION OF THE CHIEF OF NAVAL RESERVE.
3. COMMAND STRUCTURE - OPERATIONAL CONTROL OF THE RESERVE DESTROYERS WILL BE SHIFTED TO THE CHIEF OF NAVAL RESERVE.
4. HOMEPORTING - NRF SHIPS WILL BE BASED AS MUCH AS POSSIBLE, ON THE DRILLING RESERVIST POPULATION AND THE FEASIBILITY OF COLLOCATING CAPABLE SIMA UNITS.

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5. REPLACEMENT SHIPS - THE NAVY WILL PROGRAM THE TRANSFER OF NEWER REPLACEMENT SHIPS (FF-1052's, FFG-1's OR FFG-7's) WITH AN OBJECTIVE OF GROWING TO A FORCE LEVEL OF NOT LESS THAN 24 SHIPS AT LEAST FOUR SHIPS WILL BE TRANSFERRED BY END FISCAL YEAR 1982 AND AT LEAST 12 SHIPS IN THE PERIOD FISCAL YEAR 1982-1987.

6. FUNDING - CHIEF OF NAVAL RESERVE SHALL CONTROL FUNDING OVER ALL NAVAL RESERVE ACTIVITIES. FUNDING FOR TAR PERSONNEL SHALL BE UNDER RPN APPROPRIATIONS.

IN THE FY 82 DEFENSE APPROPRIATIONS REPORT THE COMMITTEE NOTED THAT THE NAVY HAD ACCOMPLISHED A VERY SMALL PART OF THESE ACTIONS. THE COMMITTEE ALSO INSISTED THAT THE NAVY PROCEED TO ATTAIN A 50% ACTIVE AND A 50% SELECTED RESERVE CREW MIX, WITH THE PHASE IN OF TAR PERSONNEL TO REPLACE REGULAR NAVY CREW MEMBERS. TO DATE TWO YEARS LATER THIS HAS NOT BEEN ACCOMPLISHED AND THERE ISN'T ANY EVIDENCE THAT THE NAVY PLANS TO CARRY OUT CONGRESSIONAL GUIDANCE. CURRENTLY TWO FF1052'S SHIPS HAVE TRANSFERRED TO THE NRF. EACH OF THESE ARE COMMANDED BY A USN OFFICER VICE A TAR OFFICER, THIS PROCEDURE AS THAT WITH THE ENLISTED PERSONNEL IS NOT IN CONFORMANCE WITH CONGRESSIONAL DIRECTION TO THE NAVY.

THE SHIPS OPERATION AND MANAGEMENT CONTROL GIVEN TO THE CHIEF OF NAVAL RESERVE BY THE CONGRESS HAS BEEN CHANGED BY THE NAVY TO ONLY OPERATIONAL SCHEDULING OF THE NRF SHIPS. THE TYCOMS CONTINUE TO BE RESPONSIBLE FOR THE SCHEDULING OF ALL OTHER EVOLUTIONS PLUS MATERIAL, LOGISTIC AND MAINTENANCE SUPPORT OF THE NRF FRIGATES. NERA FORSEES MORE FLEET EXERCISES THAT ARE NOT MISSION ORIENTED AND LESS READINESS TRAINING FOR THE SELECTED RESERVE CREW AS WAS EXPERIENCED WITH NRF DESTROYERS. NERA SUPPORTS CONGRESSIONAL

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ACTION THAT FULL OPCON AND TYCOM MUST BE GIVEN TO THE CHIEF OF NAVAL RESERVE.

HOMEPORTING FOR OTHER PORTS IS NOW BEING EXPLORED BY THE NAVY HOWEVER WITH PROCRASTINATION.

MR. CHAIRMAN, NOW THAT THE MARITIME CONVOY ESCORT ROLE HAS BEEN ASSIGNED TO THE NAVAL RESERVE BY MUTUAL AGREEMENT OF THE CONGRESS AND THE NAVY, THE NAVAL ENLISTED RESERVE ASSOCIATION FEELS THE NAVY HAS NOT EXPEDITIOUSLY MOVED FORWARD TO IMPLEMENT CONGRESSIONAL DIRECTION.

PROCUREMENT

IN ORDER NOT TO BE REPETITIOUS IN OUR TESTIMONY HEREWITH REGARDING THE P3A/B TACTICAL NAVIGATION MODERNIZATION (TAC/NAVMOD). NAVY AIRLIFT MODERNIZATION AND RESERVE P-3C PROCUREMENT, THE NAVAL ENLISTED RESERVE ASSOCIATION FULLY SUPPORTS THE TESTIMONY PRESENTED BY THE NAVAL RESERVE ASSOCIATION, HOWEVER, IT MUST BE NOTED THAT RECENTLY THE SCHEDULED AIRLIFT OF RESERVISTS HAVE NOT BEEN RELIABLE BECAUSE OF THE CONDITIONS OF THE AGED C118'S MANY RESERVISTS HAVE BEEN LEFT AT THE PICKUP POINTS DUE TO THE DOWN TIME OF THE C118'S.

MR CHAIRMAN, THE NAVY RECENTLY ANNOUNCED POLICY FOR ENLISTED NAVAL RESERVISTS OF THIRTY YEARS AND OUT. WITH ESTABLISHMENT OF THIS CURRENT POLICY A RESERVIST WOULD BE FORCED INTO RETIREMENT AT THE PROBABLE AGE OF UNDER 50 YEARS OLD. IT IS EVIDENT THAT THERE WILL NOT BE ANY ENTITLEMENTS FOR THESE RETIREES UNTIL AGE 60. THESE HIGHLY SKILLED TECHNICIANS MUST WAIT IN LIMBO FOR APPROXIMATELY 10 YEARS WITHOUT ANY RECOGNITION OF THEIR CONTINOUS DRILLS AND PERFORMANCE OF ANNUAL ACTIVE DUTY FOR TRAINING FOR 30 YEARS. OUR ASSOCIATION STRONGLY RECOMMENDS

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EITHER CONGRESSIONAL DIRECTION BE GIVEN TO DOD OR ENACTMENT OF LEGISLATION TO PROVIDE COMPENSATION IN THE FORM OF COMMISSARY AND EXCHANGE PRIVILEGES FOR THE RETIREES WHILE AWAITING RETIREMENT PAY; OR PROVIDE THE RETIREE WITH RETAINER PAY AT AN EARLIER AGE. ADDRESSING THE SUBJECT OF COMMISSARY PRIVILEGES IN THE CASE OF DRILLING RESERVISTS, IS OF PARTICULAR CONCERN OF MANY OF THE ENLISTED RESERVISTS. CURRENTLY A RESERVIST IS PERMITTED COMMISSARY WHILE PERFORMING ACTIVE DUTY FOR TRAINING. THESE PRIVILEGES ARE VERY RARELY USED BECAUSE RESERVISTS PERFORM THEIR ACDUTRA MANY MILES FROM THEIR HOME. NERA RECOMMENDS THAT CONGRESS AUTHORIZE DRILLING NAVAL RESERVISTS TO UTILIZE THE COMMISSARY STORES ON A ONE FOR ONE BASIS FOR UP TO 14 DAYS EACH YEAR OF ANNUAL ACTIVE DUTY FOR TRAINING.

MR. CHAIRMAN, THERE HAVE BEEN MANY ACTIONS INITIATED INVOLVING COMPENSATION OF ONE FORM OR ANOTHER FOR RESERVE AND GUARD PERSONNEL, VERY FEW OF WHICH HAVE PROGRESSED BEYOND THE INITIAL STAGES TOWARDS FRUITION. ONE OF THE MOST IMPORTANT BILLS INTRODUCED CONCERNING COMPENSATION IS HR1491 (MEDICAL COVERAGE FOR RESERVES AND GUARD). MANY NAVAL RESERVISTS ARE REQUIRED TO USE ANY MODE OF TRANSPORTATION PROVIDED BY ANY AGENCY OF THE U. S. GOVERNMENT TO REACH DRILL SITES, AND ARE REQUIRED TO USE THE AFOREMENTIONED TRANSPORTATION WHILE UNDER TAD NO-COST ORDERS TO ATTEND DRILLS. RESERVISTS IN TRANSIT AS PASSENGERS ARE NOT CONSIDERED TO BE DRILLING WHILE TRAVELLING, THEREFORE ARE NOT ENTITLED TO THE BENEFITS PROVIDED IN TITLE 10, U.S. CODE. IN SOME LOCATIONS, MESSING IS NOT AVAILABLE AT THE DRILLING SITE. IN THIS CASE A RESERVIST IS NOT COVERED WHILE TRAVELING TO OR FROM A RESTAURANT TO HAVE LUNCH. THERE ARE MANY HORROR CASES CONCERNING DRILLING RESERVISTS WHO WERE INJURED OR CRIPPLED, WHILE ENROUTE AND NOT ENTITLED TO ANY HEALTH CARE OR COMPENSATION. MR. CHAIRMAN, NERA WILL PROVIDE CASE HISTORIES FOR THE RECORD IF DESIRED.

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IN VIEW OF THE FOREGOING, NERA STRONGLY RECOMMENDS THAT MEDICAL COVERAGE BE PROVIDED FOR RESERVE AND GUARD PERSONNEL TRAVELING TO AND FROM DRILL SITES. APPROXIMATE COST OF COVERAGE IS 8-10 MILLION DOLLARS. THIS GROSS INEQUITY IN THE LAW MUST BE CHANGED WHATEVER THE COST.

MR. CHAIRMAN, THIS COMPLETES OUR STATEMENT. AGAIN, WE THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOUR COMMITTEE. WE WILL BE HAPPY TO ADDRESS ANY QUESTIONS YOU MAY HAVE OR TO PROVIDE ANY ADDITIONAL INFORMATION TO YOU AND TO YOUR COMMITTEE.

Mr. DICKS. I want to apologize for the fact I didn't get to hear all of your statement. I know the members will give it close attention.

The Naval Enlisted Reserve Association has had a long and distinguished history and has been a very effective advocate to this committee.

The gentleman from Alabama?

Mr. EDWARDS. Just one quick question, Mr. Chairman. The Navy recently told us it wants to transfer four LKA's back to the Active Force from the Reserve. They told the committee that the Reserve community has no objection to this transfer. Are you familiar with this? Is that statement correct?

Mr. BUCKLEY. John?

Mr. THOMAS. Sir, we are not familiar with it. We can find out or get our recommendation and opinion back to the committee before the two weeks are up.

Mr. EDWARDS. Do that.

[The information follows:]

It is the Naval Enlisted Reserve Association's opinion that these ships cannot be manned in the current homeport. If a manpower analysis was conducted to establish homeports for the LKA's or if there was a possibility of airlifting manpower to the ships, our Association would strongly object to the transfer of the four LKA's to the Fleet. It should also be mentioned that these ships, upon transfer to the Naval Reserve, were overhauled from Naval Reserve appropriations. In view of this fact, it is our opinion this procedure is morally wrong.

Mr. THOMAS. It is like Mike said. The commissioning in Philadelphia on October 1, the Navy's position on the ships, 50 percent was supposed to be TARS. They changed the plan from congressional direction to 25 percent USN, 25 percent TARS. What has happened is 100 USN Petty Officers have gone in there and 75 TARS. This gives them the 30 percent. By the time they increase, go to the next one, it could be 40 percent. The next thing, we won't have any TARS which this committee established. We are very upset about it.

Mr. EDWARDS. Thank you, Mr. Chairman.

Mr. DICKS. The gentleman from Virginia?

Mr. ROBINSON. No questions, Mr. Chairman.

Mr. DICKS. Thank you for a very good statement.

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TUESDAY, AUGUST 10, 1982.

FISCAL YEAR 1983 DEPARTMENT OF DEFENSE BUDGET

WITNESS

RALPH DI CARPIO

Mr. DICKS. Our net witness is Mr. Ralph Di Carpio.
Mr. DI CARPIO. Good morning, Mr. Chairman.
Mr. DICKS. You understand the ground rules?
Mr. DI CARPIO. Yes.

AN ALTERNATE VIEW

I am Ralph Di Carpio. I appear before you again representing no one's views but my own. There is a movement sweeping across America which I'm sure you've noticed. Hundreds of thousands of our fellow citizens have marched in opposition to established defense policies and their political power was in evidence last week in the narrow defeat of the so-called "freeze resolution." The President is, of course, opposed to any deviation from his stated defense Policy and Congress has generally sided with his proposals. Thus, we see represented two opposing extremes: one side calls for an end to the arms race immediately while the other advocates an acceleration of it with an eye toward reductions at some later date after an alleged inferiority has been overcome. There is, however, a third point of view that receives little publicity, it falls nearly in the center of the two extremes and, in short, it is a call for reform.

The reform view holds that an effective military force remains essential in the world as it exists today. For this reason, we must continue to field armed forces capable of defending our sovereignty and safeguarding our national interests. However, the reform view also holds that fiscal gluttony is the wrong approach in securing these forces; in fact, it may well be detrimental if current economic conditions persist.

While there is a spectrum of opinion within the reform view, one theme is consistent: American military policy is in need of a thorough re-evaluation in light of both the economic situation that prevails and the changing nature of warfare. I personally believe that many of the proposals being considered for appropriations offer little in the furtherance of our national security goals.

LAND BASED MISSILES

As an example, there is the MX missile. The fundamental question concerns the survivability of land-based missiles. To date, the experts have considered no fewer than 35 basing modes and each study merely reinforces the original thesis: That is, that land-based missiles are inherently vulnerable to a coordinated first strike by

highly accurate re-entry vehicles regardless of the basing mode proposed. Therefore, the MX will prove to be as vulnerable, in a relative sense, as the system it replaces.

Mr. DICKS. Do you think there is a way to base MX on land?

Mr. DI CARPIO. I think in a way we are a bit constrained in that respect as the missile will be flight tested. Whatever basing mode comes up will have to fit that particular missile. I don't think there is a land base system possible if the accuracy figures for the Soviet RV's are what they are.

Mr. DICKS. So it may well be we have to consider other alternatives?

Mr. DI CARPIO. Definitely, exactly.

This, of course, has not deterred the production of the missile which continues with the hope that an acceptable basing mode will eventually be discovered. It would seem that it is time to re-evaluate the efficacy of land-based missiles in a modern war scenario before further attempts to replace the Minuteman system proceed. The central point of this analysis is the question of what purpose the land-based missile is intended to serve in light of its theoretical vulnerability and the immense costs associated with the construction of future systems. It may well be too late for such an analysis to occur as testing of the MX will begin this January; however, as the MX which exists today was originally designed for the now discarded race track scheme, the very inflexibility inherent in attempting to fit a basing mode to it may prove the down fall of the entire system. It would be far better to ascertain our need for land-based missiles and either design a basing mode and missile if it proves that land-based missiles are indeed viable, or discard the notion completely if the opposite is decided.

B–1 BOMBER

Another example would be the resurrected B–1 bomber. The fundamental question concerns the survivability of manned penetrating bombers. It is argued that the extensive Soviet air defense envelope has rendered the B–52 obsolete. While the recent performance of Soviet air defense systems leaves their effectiveness open to question, let me assume for the moment that the argument is correct. The object then becomes a matter of replacing the B–52 with a system that would be more survivable both on the ground and enroute to its target. In this regard, the B–1 is perhaps not the best choice as its capabilities are A., marginal when compared to the penetration abilities of the cruise missile and, B., perhaps unnecessary in light of the recent admission that the so-called "stealth" technology bomber will become available sooner than originally anticipated. It then becomes possible to envision a future American bomber force as containing A., the "Stealth" technology bomber in the penetrating role, and B., a modified cargo aircraft capable of replacing the B–52 in the stand-off mode. In neither case is the B–1 necessary and, in fact, its continued development would tend to claim a disproportionate share of scarce resources and thus deny us the ability to field a more effective capability, leaving us with what can only be generously described as an interim system.

These are but two examples of what I consider to be misguided efforts in attaining military sufficiency. There are many others. Take the case of the C-5B which is being reincarnated in an attempt to increase the handling of outsized and oversized cargo. Despite the fact that a replacement has been decided upon in the C-17 and depsite the fact that Boeing has offered a package of 747 construction and/or refurbishing, the Administration insists on building the C-5. Again, we will be saddled with an iterim solution that threatens to absorb so much funding that the more efficient replacements will be discarded to our detriment.

REEVALUATION PROCESS

There is in my mind an unquestioned need to bolster our military forces in the most efficient and effective manner; however, unless there is a concerted effort by the Congress and the military to discard political persuasions and concentrate on analyzing our true national security needs and the forces necessary to fulfill them, then I fear that we are doomed to follow the same course we have been led upon for the past thirty years.

I call upon the Congress, through this subcommittee, to begin this process of re-evaluation. It need not be an exercise in political futility but a bi-partisan approach by like-minded individuals who, like myself, believe in the need for an effective military at the most rasonable cost. The time for action is now.

[The statement of Ralph Di Carpio follows:]

THE FISCAL YEAR 1983
DEFENSE DEPARTMENT
BUDGET

An Alternative View

RALPH DI CARPIO

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It is no secret that we live in tumultuous times: the economic and social fabric of our nation labor under increasing strains; our allies choose courses clearly at odds with the pronouncements of the administration; our principle adversary continues to assert itself in areas vital to our interests; the world order we so crave is crumbling into regional anarchy where no fewer than nine wars now rage. These are, to be sure, times that try one's soul; yet, within this apparent chaos, there lies an opportunity to re-evaluate our role in the world, and to re-order our priorities to be more in line with changing realities. Such a process, of course, is never easy, and one can take small comfort from the ideological cacaphony that emanates from those chosen to lead us. Claiming the people's mandate, the administration has chosen to embrace partisan notions of what place America holds in the world. However, no one can truly know what it is that a pluralistic society such as ours really wants.

In lieu of a national emergency that would bind persons of diverse ideologies into one, coherent voice, the only alternative is to analyze our policies on the basis of both present needs and historical precedent. In the sphere of military preparedness, this analysis would include the needs of national security and the history of warfare. For despite the rhetoric that claims that the purpose of defense spending is to deter war, this is only partly correct.We spend money on the various military programs to fight war if and when deterrence fails. One concept cannot exist independent of the other. One need only recall the condition of pre-war France to understand the truth of this. Before the advent of World War II, France was, at least as far as static indicators were concerned, the strongest power on continental Europe. Unfortunately, France chose to funnel the bulk of her resources on the deterrent effects of static fortifications. This fortress mentality led to the results that we know only too well.

In his first Annual Report to the Congress, Defense Secretary Weinberger begins by quoting a familiar theme of Ronald Reagan:

> "We know only too well that war comes not when the forces of freedom are strong, but when they are weak. It is then that tyrants are tempted."*

In this brief statement, Mr. Reagan sums up his ideas of warfare, and simultaneously, exhibits a profound ignorance of it's nature. War, and the reasons why nations initiate it, depends not upon the static indicators that many in power are fond of quoting. If this were true, we would have been spared many of the hundreds of wars that have occurred since the end of World War II. For example: During the Indochina War of 1946-1954, the French possessed superior strength

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* Department of Defense, "Report of Secretary of Defense Caspar W. Weinberger to the Congress on the FY 1983 Budget, FY 1984 Authorization Request and the FY 1983-1987 Defense Programs," 8 Feb 1982, page I-3.

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by any measurement over the Viet Minh; yet the guerilla warfare waged by the indiginous forces was undeterred. In a similar vein, the recent Iraqi invasion of Iran may have been precipitated by a mistaken notion of Irani weakness and vice versa. The outcome of both adventures proves that it is not solely a mismatch in relative strengths that invites war, despite Mr. Reagan's belief, but a combination of complex factors usually revolving about a nation's perceived interests. Wars have been fought historically for this reason.

Mr. Weinberger goes on to say that:

> "Serious deficiencies in our military forces have compelled us to break with past thinking and to develop new policies and programs. We must correct the major weaknesses in our defenses that have resulted from a decade of neglect."*

I wonder what exactly Mr. Weinberger means by this statement. Is it not true that United States military forces are far stronger and far more flexible than they have ever been? Is it not true that defense spending has grown in real terms for the past five years? Has our influence in the world decreased within the past decade? The answer to all these questions is yes; especially to the latter. We are certainly not in the position to influence world events in quite the same way as we were previously. However, even in this fluid state, our major problems have come not from our adversaries,** but from our allies. In this regard, what would Mr. Weinberger have us do? If our loss of apparent influence can be traced to any single source, it would have to be our failure to exert ourselves diplomatically in the face of crises in favor of attempts at military solutions. There are no measurements extant to gauge the loss of American prestige in situations such as the Carribean, the Middle East, our relations with China and the deterioation of the Atlantic Alliance, not to mention our de facto trade war with Japan. No ammount of funds earmarked for military programs would serve to alleviate these problems in the face of our penchant toward diplomatic malpractice.

If we are to secure our national security goals, it would be wise to first delineate what these goals are. First, and foremost, is nuclear deterrence. As it is the sole means by which the destruction of war can be visited upon American soil, it therefore follows that our deterrent forces be sufficient to persuade our adversaries that a nuclear strike upon the United States is merely the prelude to their own destruction. Second in importance is the uninhibited access to foreign resources and markets which would include the protection of vital sea lanes. Third would be the support of collective security arrangements with our allies to insure that their national interests, and therefore our own, are best served.

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* Ibid.

** Witness the impotence of the Soviet Union in the recent Middle East crisis as an example.

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And last would be the restoration of the economic well-being of our own nation. In this context, let us examine each of the above-mentioned goals in light of the defense budget now envisioned, and a few possible alternatives.

NUCLEAR DETERRENCE

Although it may seem heretical to state, there is little that need be done to our strategic nuclear posture beyond a strengthening of C3 assets and the continuation of the Trident SSBN program. As to the suggestions that the land-based and air-breathing legs of the triad are obsolete and therefore are in need of massive overhaul, there is no major deficiency to justify the sense of urgency now rampant in defense circles. For example: the continued effort to fabricate a survivable basing mode for the MX ICBM merely proves the point that defense planners have stated all along.There is no inherently invulnerable system for land-based missiles. If this be true, then there is no purpose in continuing the MX program as any basing mode chosen will not serve the purpose for which it is intended. If this is not true, and land-based missiles are not as vulnerable as we have been led to believe, then the present force structure of Minuteman II's and III's is adequate.*In either case, the procurement of MX is neither feasible nor necessary.

Similarly, the pressing need for the B-1B penetrating bomber is also diminished by the facts. If the purpose of an air-breathing system is to deliver weapons upon enemy soil with the least possible exposure of these systems to enemy air defenses, then there are programs both in development and in reasearch to fulfill this role. As an interim solution, the B-1B would tend to sponge funds from other much-needed programs such as the "stealth" technology bomber while offering little advantage to the present B-52/ALCM system, and perhaps is too expensive to risk in conventional applications. By depnding upon present air-breathing systems until the more innovative technologies come on-line, we not only retain a viable bomber option, but also save quite a bit of money in the process. If the B-52 is truly obsolete for the purposes for which it is meant, then replace it with a modified commercial carrier configured to carry cruise missiles, which are superior to the B-1B in the penetrating mode.

As for the fleet ballistic missile submarine, it is apparent that we hold the upper hand in this area. The introduction of the first Trident SSBN to the fleet offers a substantial increase in offensive striking power while retaining the virtual invulnerability of the D-5 missile. By continuing this program at modest levels, coupled with the further backfitting of D-5 missiles into Poseidon boats, we have the ability to retaliate with devastating force independent of the other legs of the triad.

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* The capabilities of the Titan II, kindred brethren of the infamous SS-18, are disregarded due to the obsolescence of liquid-fueled missiles.

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Yes, it may seem heretical to state that our strategic nuclear systems are not in the advanced stages of senility that some would have us believe, but once the facts are known, it becomes apparent that the highly political solutions offered by the administration offer little in the way of increased security. Rather, they offer the specter of diminished returns for vast expenditures. I imagine that the doomsayers would point to the Soviet build-up as justification for their support of the aforementioned systems. I would counter by pointing out that the Soviet Union is far less secure today with all of the behemoths they have fielded and there is no prospect of reversing this trend. If they are unwise enough not to recognize this, there is no reason why we should follow suit.

POWER PROJECTION

The second function of the military within the framework of national security is the protection of overseas interests. Primary in this concern, but not limited to it, is the protection of the sea lanes upon which a large share of our resources and finished goods travel. As was so graphically illustrated in the recent Falklands War, the principle threat comes from the effects of high-technology anti-shipping missiles and submarines. The response of the Reagan administration has been to advocate the build-up of the Navy with increased dependency upon large-deck carrier battle groups. While it can be argued that the large-deck carrier has its place in the sea-lane protection role, its survivability in a modern war scenario is open to question. Furthermore, as the costs of construction continue to soar, the Navy is hampered in its ability to augment its forces beyond present capabilities.

For the present, the large deck carriers now in the fleet are sufficient to serve the purpose for which they exist. In lieu of further construction, it would perhaps be more advantageous to develop a smaller platform to perform the function of projecting air power to distant locations. In a war with the Soviet Union, assuming that the conflict has not already escalated, these smaller carriers would serve as efficient nuclei for hunter-killer groups much the same as the highly successful CVE's of World War II.

An adjunct of the above function is the projection of combat forces to offset local aggression in areas where American interests are clearly at stake. This should not be construed as an argument in favor of the philosophy of injecting force into any situation; however, there are times when the presence of at-sea forces close to an area of crisis imparts a deterrent effect upon a volotile situation.* In this regard, there is a serious lack of amphibious and airlift capability in the present force structure. The response has so far been to resurrect the highly unreliable C-5, and the diminution of capability to transport combat troops by sea. There

* For example, the use of U.S. Marines in the 1958 Lebanon crisis.

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is a need for assault vessels to augment our current amphibious capabilities. The decisions to acquire certain maritime vessels such as the PL-7 and the commercial RO/RO's is but a first step in this process. Further acquisitions are necessary. It would also be wise to modify American flag vessels to be converted to military purposes in the same manner as is now done with commercial airliners. The experience of the British in the Falklands War would seem to bear this out.

In the area of airlift, the Reagan administration has chosen to build further C-5 aircraft to augment our present airlift fleet despite the fact that a better proposal has been offered. In a firm-price contract that seems almost too good to be true, the Boeing Corporation has proposed the building or conversion of 747 transport aircraft with the added prospect of a maintenance agreement similar to that now enjoyed with Mc Donell-Douglas's KC-10. In this manner, we would acquire the capability to lift oversize cargo, which represents a large portion of the weight of a typical division, in the shortest possible time frame. For the purpose of lifting outsize cargo, such as the M-1 tank, the present C-5 fleet is adequate until a replacement is available.* If the Army chooses to go to a smaller chassis for the armor role in the combined arms team, (a decision that would be in our best interests) then the 747 could also double as a lift vehicle for this system.

In the area of confronting the submarine threat, the smaller carrier mentioned above would serve the purpose admirably. With a combination of ASW helicopters and AV-8 VSTOL aircraft carried aboard, this smaller carrier would be a potent anti-submarine platform. To protect this vessel, it will be necessary to acquire suitable escort platforms to carry the abundance of anti-shipping and anti-aircraft weapons now available. Such a platform should be readily adaptable to perform both tasks. In this regard, the Navy should perhaps consider a modified PHM.

COLLECTIVE SECURITY

The United States, being a traditional maritime power, has amassed a host of interests throughout the world. We have therefore become heavily dependent upon foreign sources for both resources and the markets in which our products can be sold. While there is no dramatic danger in this, there is always the possibility that interests hostile to our well-being would either cut off our supplies of needed resources, or usurp an advantageous position within the foreign market arena. To prevent this, we have relied not only upon the capabilities mentioned in the preceding section, but upon the forces of major allies. We see such a process in NATO, in our relationship with Japan and in our newly forged alliance with Saudi Arabia and other Middle Eastern nations. However, the greatest danger facing America is the deterioration

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* In this regard, a replacement is available in the C-17, which won the CX flyoff.

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of our collective security alliances not, it would seem, through the actions of our adversaries, but on account of a parting of minds between us and our allies, who do not always see things the way we do.

For example: The United States draws a line in the Carribean and says that the preservation of the status quo in Central America is an earth-shaking dilemma; but our allies disagree with us. The United States says that the proposed Soviet natural gas pipeline is inimical to our interests and orders an embargo of high-technology items, but our allies again disagree. The United States considers the Soviet Union to be the greatest threat to Middle East stability and proposes an immense Rapid Deployment Force to offset alleged Soviet advantages in the region, but our allies again disagree. The United States says that the support of the present Taiwan regime is important to our Western Pacific strategy, yet by asserting so, we risk the loss of a major, and far more important ally. Clearly, there is something wrong.

If we are to continue to further our interests through collective security arrangements, then it becomes incumbent upon us to view such arrangements as a two-way street and come to the realization that our allies have certain interests independent of our own. Only through diplomacy can this be achieved and yet, the Reagan administration persists in the belief that our allies must dance to our tune. Perhaps this may have been true in the halcyon days of total American superiority,* but times have changed. If we are to maintain strong alliances -and it is the opinion of this writer that we must- then we must understand that such alliances are better served when they exist between equals. Otherwise, we are doomed to go it alone.

ECONOMIC CONSIDERATIONS

One need not be an economist to understand that we are in serious economic straits. We have stumbled along through Carterflation and Reaganomics, and clearly, neither has provided the answer. To make matters worse, economists now tell us that whatever recovery we might expect will be strangled at birth if the high cost of money is not alleviated. However, we have also been told that as long as the government insists on deficit financing, then interest rates will remain high. Balancing the budget, or at least heading in that direction, is therefore a high priority. Various proposals have been presented to accomplish this purpose, the mosr recent, and perhaps the most popular, being the so-called "balanced budget ammendment." Yet this, and the host of other proposals that abound, is merely a bandaid being applied to a festering wound. The only method known to achieve a balanced budget is fiscal restraint combined with sufficient revenues to offset the difference. No other way will suffice.

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* This point is argueable: witness the French insistance to reassert colonial domination of Indochina in 1946, an act clearly inimical to Washington's wishes.

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In such a process of fiscal restraint, no area can be held sacrosanct at the expense of others. The federal government is constitutionally mandated to perform a variety of services, each of which is important in its own right with none holding advantage over the others. Yet this is precisely what has happened. Defense spending has been elevated to an almost mythical position where any dissent from the common wisdom is seen as tantamount to treason. This attitude is dangerous for it exempts one of the largest sources of federal dollars from serious scrutiny.

Paring the burgeoning defense budget is a process more suited to a surgeon than a butcher. Cited above are but a few areas where the scalpel can be applied effectively; there are many others. For example, there are opportunities for savings in the consolidation of similar functions across service lines. This concept has been successfully applied in the pooling of airlift assets under MAC. There are a wealth of activities that can be similarly adapted: supply functions, medical support and certain hardware procurement to cite but a few.

Whatever decisions are made, the time for action is now. There is no justification that warrants the wasting of more and more dollars on any function; this holds true for military spending as well.We have been told that by increasing defense spending, we send a message to friend and foe alike. In my opinion, the only message the Reagan administration has sent is that the well-being of our economy has been submerged to fuel a gargantuan military bureaucracy that eats up funds with little accountability. The common wisdom dictates that we must continue to increase defense spending if we to field a strong defense. I would disagree with such an arguement. Our purpose is, and must remain, to field the most effective defense to secure that part of our national security where it is applicable.

CONCLUSIONS

We have witnessed 35 years of dire predictions that our security would deteriorate if we were remiss in funding the defense sphere. This has been prtly true. Our security has diminished over the years, but the continued build-up of military forces has, in fact, contributed a major portion of this deterioration. We can not continue to allocate increasing shares of our resources toward military preparedness without running the risk of continued economic travail and the loss of further prestige abroad through a neglect of diplomacy in favor of a simple wave of the military wand. Yet, as was stated at the outset, we have come to a crossroad where opportunity lays.

We must approach defense spending not with an extravagence born of misconception, but with a view toward the most effective military force at the most reasonable price. No other goal will suffice. It is past time where all systems proposed by the Pentagon managers and their think-tank allies is offered in a cloak of patriotic public relations for approval. Serious analysis must be given to these proposals by

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by the Congress along with the soldiers and sailors who comprise our most prescious military resource. The executive branch has so far been unwilling to halt the spiraling cost of defense. Sure, there have been management savings, but these are mere pittances when measured against the enormous resources consummed by the Pentagon. A re-evaluation of past policies and strategies is in order; especially when it is considered that the past 35 years have given us less security at insufferable cost. Despite the words of doom offered by the warriors, the time for a non-partisan re-evaluation of our defense posture is now. The future of the ideals we treasure and the world we inhabit depend upon what we decide.

Ralph DiCarpio

Mr. DICKS. I think the gentleman has made a very compelling discussion for the need for the 747.

You have come out extolling the virtues of the patrol hydrofoil. I wanted to make sure Mr. Murphy understands that.

ACQUISITION COSTS

You have hit a couple winners here today. As you know, there is a movement within the Congress, a military reform group in the Congress, who share many of your concerns, particularly on the question of affordability. The number that I think is just so staggering is the selected acquisition report shows the cost of the 47 major weapons systems we are buying has jumped from $318 billion in 1980 to $454 billion in 1981; so we have got an affordability problem, and I agree with you that too often they are not adding all this up and trying to say how can we finance all of this, but just trying to go ahead with whatever system is the most expensive and sometimes the most sophisticated and then we have to cut back the buys and everything else and we procure it at ineffective rates.

Mr. DI CARPIO. When the cuts do come, as many witnesses have said this morning, they come in operations and maintenance; and I don't really understand why it is that we continue to buy the weapons systems we buy. We have many examples. The M-60A2 is a great example. Great promise when it was designed; fantastic, looked good, looked affordable. When the time came to produce them, the numbers weren't there. In a way, it was a waste of money.

Mr. DICKS. The gentleman from Alabama?

Mr. EDWARDS. Thank you, Mr. Chairman.

I assume you want your full statement in the record?

Mr. DI CARPIO. I would appreciate that.

Mr. EDWARDS. I would also think the record would be served if you would give us a little background on yourself. I think whether we agree with your statement or not, it is a good statement. I would like to know from whence you come.

Mr. DI CARPIO. I have absoltuely no experience, practically, in national defense or military affairs. I have never served in the military. I read a lot. I have been to college. I took psychology courses.

I just worked ever since, reading as much as I can. In fact, you were the one, Mr. Edwards, who told me to keep reading the hearings.

Mr. EDWARDS. Well, I think you should.

Mr. DICKS. We are glad someone reads them.

Mr. EDWARDS. Thank you, Mr. Chairman.

Mr. DICKS. The gentleman from Virginia?

Mr. ROBINSON. No questions, Mr. Chairman.

Mr. DICKS. Thank you for a very good statement. We appreciate your interest. Please stay in touch.

Mr. DI CARPIO. Thank you very much.

TUESDAY, AUGUST 10, 1982.

U.S. COUNCIL FOR AN OPEN WORLD ECONOMY

WITNESS

DAVID J. STEINBERG, PRESIDENT

Mr. DICKS. Our next witness is Mr. David J. Steinberg, President of the U.S. Council for an Open World Economy.

STATEMENT BY MR. STEINBERG

Mr. STEINBERG. Good morning, Mr. Chairman, gentlemen.

I am David J. Steinberg, President of the U. S. Council for an Open World Economy.

The Council is a private nonprofit public-interest organization engaged in research and public education on the merits and problems of developing an open international economic system in the overall public interest.

We speak on behalf of no private interests.

BUY AMERICAN REGULATIONS

I would like to, within five minutes, explain to you our views regarding the Buy American regulations affecting defense procurement. This is the focus of our council's testimony in these hearings.

Although I am strongly in favor of an open world economy, and a definitive, coherent free-trade strategy, I can accept Buy American strictures affecting defense procurement, provided that these Buy American regulations are a coherent, cohesive policy package found to be in the total public interest.

I find, however, that the Buy American regulations we have are a policy hodge-podge. We have overall Buy American rules under the Buy American Act as most recently supplemented by the 1962 executive order establishing a 50 percent differential for balance-of-payments reasons and we also have some particular-industry Buy American regulations, most notably on specialty metals and textiles, certain other products as well. But there is no effort that I can detect at either end of the Avenue to determine why we need specific industry Buy American regulations over and above the comprehensive Buy American regulations that affect all of defense procurement.

Nor do I find any relationship or any attempt to devise a relationship between Buy American regulations on specialty metals and what might be called a coherent specialty metals strategy. There is no coherent specialty metals strategy addressing the real problems and the real needs of this vital industry.

In the same sense, there is no relationship between the Buy American stricture on textiles and a coherent textile development strategy because we have no coherent textile development strategy. Nor does anyone know, Mr. Chairman, gentlemen, what these Buy American regulations cost the American taxpayers.

So we go on, year after year, continuing these Buy American regulations and there is no effort to establish a coherent Buy American policy.

I am not asking the Congress to forthwith terminate all Buy American regulations. That, to me, is the wrong way to do these things. There is a wrong way and a right way to impose Buy American regulations.

What I am asking the Congress to do, as I have asked the Congress to do for lo, these many years, is to ask the President in anticipation of next year's defense budget, to report to the Congress on what these Buy American regulations cost the American taxpayers, how these Buy American regulations affect the efficiencies of the affected industries which, after all, produce goods for the civilian economy as well as for defense procurement, how these individual specific-industry Buy American regulations relate to other things the government may be doing or ought to be doing to help these specific industries, and then we would know—I hope—what these regulations cost the country, how many of them are still needed, how much longer they might be needed, and we would have a better reasoned, more soundly based Buy American policy.

That, Mr. Chairman, is the nub of my testimony.

[The statement of Mr. Steinberg follows:]

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Testimony of David J. Steinberg
President, U.S. Council for an Open World Economy
on "Buy American" regulations in defense procurement
before House Subcommittee on Defense Appropriations
August 10, 1982

(The U.S. Council for an Open World Economy is a private, non-profit organization engaged in research and public education on the merits and problems of developing an open international economic system in the overall public interest, the Council's only standard.)

Congress and the Executive Branch for too long have neglected the need to reform the disjointed, politically permeated array of Buy American requirements affecting defense procurement. Combatting inflation, making the most effective use of scarce financial resources, and finding real solutions to the real problems of ailing industries are among the aims of such policy overhaul.

These procurement strictures consist of (1) the Buy American Act (affecting government procurement across the board), supplemented by a 1962 executive order giving a 50 percent advantage, for balance-of-payments purposes, to domestic suppliers in defense procurement, and (2) an assortment of more-restrictive rules, established by Congressional initiative, mandating procurement of certain products from domestic industries alone (except for extraordinary circumstances). The best known of the specific-industry mandates involve textiles (since 1956) and products containing specialty metals (since 1972), including stainless steel (and stainless steel flatware per se).

Some products have been exempted from the general Buy American stricture by a multilateral trade agreement negotiated in the late 1970's, others by Congressional waivers in the interest of NATO standardization and interoperability. In addition, the Department of Defense obtained Congressional authority to purchase certain textile products from foreign sources in the interest of these NATO objectives. Waivers for such purposes (and to help "offset" foreign purchases of military equipment from the United States) were also obtained in 1977 for certain products containing specialty metals, but these waivers were terminated in the defense appropriations act of 1981 by backdoor Congressional sleight of hand in which operatives for labor and management in the specialty-steel industry played a key role. The defense authorization bill for fiscal 1983, which recently passed the Senate, includes a provision

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restoring the waivers on specialty metals. We urge Congress to sustain restoration of these waivers in the rest of the appropriations process for 1983. But more than this is needed -- in the interest of a strong, durable specialty-metals industry, and of sensible utilization of Buy American regulations in defense procurement.

The "sacred cow" subsidies in the considerable number of products still covered by Buy American strictures in defense procurement should be carefully reassessed and reformed. Congress, at long last, must find more-enlightened ways to address the problems of industries it feels require and deserve government assistance. The Buy American rules are examples of the shortsighted shortcomings of Congressional and overall government performance in this respect. This year's effort to restore the specialty-metals waivers reveals worthy concern about a more cohesive, cooperative military alliance between the United States and friendly nations, but no evidence of reassessing and reforming government assistance to industries that need and merit such assistance.

Lack of Coherent Industrial Policy

Buy American strictures in defense procurement are a policy hodgepodge. They are not components of a coherent, well-designed policy of government aid to ailing industries. There is no periodic reassessment of these strictures in the interest of sound policy formation and the most efficient use of financial resources in this major sector of the government's budget. Nor is any Buy American requirement concerning the products of specified U.S. industries related in any way to coherent attention to the real problems and needs of the respective industries. For example, there is no coherent textile policy of this description, of which the Buy American requirement on textiles is a part; nor a coherent specialty-metals policy, of which the Buy American requirement on products containing specialty metals is a part. Nor does the government know what the Buy American strictures in defense procurement cost, their contribution to the strength of these industries, how long these measures may be needed, what alternative or supplementary measures may merit adoption, and why "micro," specific-product Buy American requirements are needed over and above the "macro" rules of overall Buy American standards.

Instead of coherent, cost-efficient strategies addressing the real problems of industries meriting government help, we have simplistic, costly concessions to political pressures for government protection against foreign competition -- and (with some exceptions) retention of these measures year-in and year-out, no matter the need for an all-out effort to solve industrial problems, increase industrial productivity, reduce subsidies, combat inflation and use most efficiently and productively the funds provided by American taxpayers. The cost increasing, inflationary implications include the tendency for Buy American strictures to increase costs for U.S. manufacturers who (to the extent that these

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strictures do not deter them from using imported materials in the production of such items) are determined to bid on defense contracts for any of the affected products and may find it necessary to incur special inventory and other expenses where production for defense contracts must be kept separate from non-defense production.

To the extent that these industries are essential to national security, there is all the more reason to deal incisively with their real problems. Subsidizing such industries through the Buy American requirements now in effect is thus, not only bad economics and shabby politics, but badly conceived attention to the mobilization base. To the extent that these industries need government help, such assistance should take the form of redevelopment strategies designed so to strengthen these sectors of the mobilization base that these industries might become viable without barriers against foreign competition (assuming they are not in this condition now). To the extent that any of these industries cannot survive without import barriers of some kind, yet must be preserved for legitimate national-security purposes, the American people have a right to know how, and how effectively, these import restrictions are helping to cure whatever problems warrant such government aid, and at what cost to the taxpayer.

Easy recourse to import restrictions tends to divert attention from the tougher, more responsible task of carefully diagnosing the real problems and needs of industries that may need and merit government help. It is policy laziness we can no longer afford, involving costs (financial and otherwise) that get higher as years pass and as the need for policy perfection grows more urgent. The substantial increase in the defense budget, particularly at a time of massive budget deficits that must substantially be reduced, makes these reforms all the more necessary.

Plan Now for Fiscal '84

Except for restoration of the waivers on certain products containing specialty metals, I am not asking that the defense-related Buy American strictures be terminated this year. I am not unmindful of the political realities. Moreover, to remove them abruptly, without adequate preparation within the policy framework suggested above, would not be in the national interest. I do urge that this year, in preparation for fiscal 1984 defense appropriations, Congress ask the President to reassess the defense-related Buy American requirements and report to Congress on (a) the extent to which they are needed, (b) other steps being taken or that should be taken to strengthen these industries within the framework of a coherent adjustment strategy, and (c) the cost of such an assistance program, including the Buy American requirements per se, in financial and other terms.

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Here is an important opportunity for the government to launch an "industrial policy" with national-security implications -- a policy that addresses the real problems of ailing industries, phases-out subsidies that may no longer be needed, reduces the cost of national defense, promotes freer world trade, and aims at the higher productivity so essential to America's international competitiveness. The Administration should undertake these reforms whether or not Congress requests them. No movement along these lines appears to be under way in the Department of Defense. Nor has the Office of Management and Budget included the specific-industry strictures in the review it is supposed to have been conducting of Buy American rules affecting defense procurement.

Twenty-three years ago, the government imposed quotas on imports of petroleum in the supposed interest of national security. It did so without a coherent petroleum policy. The national-security clause of the trade legislation, under which these controls were imposed, did not require (and still does not require) such policy coherence, with systematic review of the policy's progress. That ill-considered, ill-fated approach to such an important issue is an important part of the story of national neglect, indeed national negligence, in the energy field. Isn't that import policy debacle enough of a lesson on the deceptions and dangers of simplistically using import controls as a remedy for alleged industrial weaknesses? When will government ever learn?

AUTHORIZING LEGISLATION

Mr. DICKS. You talk about doing things the right way. To address this issue, you suggest the President have a statement of policy in the budget which, of course, would be appropriate, but isn't the authorizing committee—the House Armed Services Committee—the one who ought to deal with this issue in the sense of having hearings and deciding what our policy ought to be?

Mr. STEINBERG. I think that this does fall within the jurisdiction of that committee.

I also think that to some degree it comes under the jurisdiction of your committee and other committees as well.

Mr. DICKS. We could add amendments to protect this.

I think you are correct in going before every committee with defense jurisdiction. What I am saying is, the committee that has to come to grips with this, if there is to be a national policy, is the House Armed Services Committee; and possibly, I guess, Ways and Means, and other committees with trade jurisdiction.

But I think you are right. I think the piecemeal kind of approach we are taking does not make any sense. We ought to decide what our policy is going to be.

Sometimes, as you know, these things become more intense during periods in which the economy of the United States is not doing very well. Certain protectionist sentiments become politically very powerful in the country. One has to hope that good judgment and a longer view will prevail, especially as it relates to our historic experience with protectionism, what it did to us in earlier years.

I think you make a very good statement. I would just suggest to you somehow you have to find some advocate on the Armed Services Committee to develop the kind of comprehensive policy ap-

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proach. We get into it on a case by case basis every now and then, really not in developing or suggesting policy.

Mr. STEINBERG. Or perhaps, Mr. Chairman, some member of your committee, as an individual member of Congress, could write a letter to the Secretary of Defense asking him for the kind of information I have proposed.

Mr. DICKS. That is certainly something the committee could do.

The gentleman from Alabama?

Mr. EDWARDS. Thank you, Mr. Chairman. I think your point is well taken.

I have already asked the staff to make sure we discuss in the markup the last paragraph on page three of your statement.

I think it makes sense for us to have in one place some kind of a study as to what, in fact, we really do.

As the Chairman suggests, we always tend to get into this thing piecemeal on a case by case basis and tend to make awfully bad law each time we try to do it.

Mr. STEINBERG. Thank you, sir.

Mr. DICKS. The gentleman from Virginia.

Mr. ROBINSON. No questions, Mr. Chairman.

Mr. DICKS. Thank you, Mr. Steinberg, for a very comprehensive statement.

98-283 O - 82 - 11

TUESDAY, AUGUST 10, 1982.

CONVERSION OF CIVILIAN TECHNICIANS

WITNESSES

JOHN ESPOSITO, PRESIDENT, AFGE LOCAL 1900
RICHARD GUARINO, REPRESENTING THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. DICKS. John Esposito and Richard Guarino, American Federation of Government Employees. Welcome to the committee.

STATEMENT OF MR. ESPOSITO

Mr. ESPOSITO. Thank you, Mr. Chairman.

I would ask that my entire statement be placed in the record. I will summarize.

I am John Esposito. I testify today not only as a concerned civilian technician threatened by Army's plan to eliminate my job and career as well as the careers of thousands of technicians throughout the country, but also as a concerned citizen opposed to wasteful spending of taxpayers' money.

CIVILIAN TECHNICIAN CONVERSION

Mr. Chairman, distinguished members of the committee, the time has come to end a situation which results in a waste of time, effort and valuable resources. The time has come not only to end converting civilian technician positions to full-time military, but to reverse the process and return those converted positions to a civilian incumbency.

Time and again this committee has heard that the paramount reasons for this exercise in futility are: cost and unit readiness.

COST

Let us first center on cost.

The expense of this program is extremely prohibitive and still increasing. The additional cost per year for full-time military is about $10,000 per person for salary and benefits. Most benefits being tax-free.

Furthermore, all full-time military brought aboard in the Army Reserve represent a duplication of effort, indicating that every dollar spent on these full-time military is a dollar wasted and represents a gross violation of congressional direction.

Department of Army states flatly that cost is not a priority; that the only priority is unit readiness.

Well, if cost is not the priority, then unit readiness must be. Time and again we hear of unit readiness.

UNIT READINESS

The ability of a unit to spring into mobilization/deployable status with a minimum amount of training time. How is unit readiness enhanced when (a) all full-time military brought aboard are not assigned the units they service, thereby not making them unit deployable assets?

Again, this is a gross violation of this committee's direction. Department of Army's own regulation, AR 135–2, states that all AGR and add-on full-time military positions, will not be assigned to units they service.

(b) When military personnel brought aboard represent a duplication of the civilian technician's effort, and when drilling reservists assigned unit MTOE/TDA positions are taken into account, the effort is tripled.

(c) When Reservists that accepted full-time military tours, filling converted civilian positions, were removed from MTOE/TDA troop program unit assignments they held and attached to units they service.

In fact, this is a condition they must agree to before being accepted.

Again, gentlemen, a flagrant violation of congressional direction.

(d) When annual training time of Reserve units, the most crucial training time for Reserve units, usually 13–15 days per year, has and is being reduced due to lack of funds?

(e) When equipment needed to train on is either outdated, cannot be repaired because parts are not available, or insufficient because of lack of funds?

(f) When the bottom line, training of the individual soldier, has not changed.

(g) When Department of Army plans to eliminate 3600 civilian positions over a five-year period, involuntary removals, and replace the same at a ratio of 3 and 6 to one. Each not assigned to units they serve, and all non-unit deployable assets.

REMOVAL OF SENIOR CIVILIANS

Department of Army has already notified the civilian workforce that effective 1 October 1982 all command supervisory staff administrative positions will be abolished and replaced with full-time military assistant deputy commander positions.

The civilian incumbents will be involuntarily removed, and a reduction in force will occur. This also reduces upward momentum.

I would be neglectful if I did not point out that General Berkman and Dr. Philbin have misled this committee regarding this proposal, and its negative effect, which has had Department of Army approval, and has been circulating in the field for over a year.

Mr. DICKS. Be a little more specific about how they have misled the committee.

Mr. ESPOSITO. What they said is, first of all, there is no such plan to remove anyone.

Mr. DICKS. You are saying 3600 people would be removed?

Mr. ESPOSITO. Yes, sir.

Mr. DICKS. These are all the technicians in the Army?

Mr. ESPOSITO. The Army Reserve, yes, sir.

Mr. DICKS. These are civilians who are doing the job right now?

Mr. ESPOSITO. Civilians doing the job right at the present time. This is correct.

Mr. DICKS. You are saying this is effective October 1?

Mr. ESPOSITO. Effective October 1 is the removal of the senior civilian positions throughout the United States.

Mr. DICKS. How many is that?

Mr. ESPOSITO. I really don't know, but if you want the figure, I am sure I could get it for the record.

Mr. DICKS. These people are not going to be protected in Civil Service jobs?

Mr. ESPOSITO. They will be protected just to the degree of reduction in force procedures. They will be RIFed out of their position. It will have a rippling effect all down the line.

Mr. GUARINO. I would like to comment. What this is, the removal of the senior civilians represents Phase I of this removal of 3600 technicians.

Mr. DICKS. Not all 3600 are going out the door October 1st?

Mr. GUARINO. No, sir.

What I believe is going to happen is, these people will come to this committee, as Mr. Esposito was about to explain, to ask for approval to do this.

Mr. DICKS. I just wanted to make sure. This is an important issue.

I think the committee would like to know, tell us briefly about the civilian technicians in the Army.

IMPACT ON UNIT COHESIVENESS

Mr. ESPOSITO. The civilian technicians provide the day-to-day support for the Army Reserve program. Every civilian technician's job description encompasses approximately 15 different primary duties ranging from administration to supply to training to finance to motors.

It covers 15 different areas. They provide the day-to-day support, the unit continuity, the training to the actual Reservists. Just about everything that has to be done is done by that civilian technician, during drill time, as well as during the week.

Mr. DICKS. They are all members of the Reserve?

Mr. ESPOSITO. Yes, sir. There are some status quo individuals who are status quo.

Mr. DICKS. What is the percentage?

Mr. ESPOSITO. That I believe at the present time is about six percent.

Mr. DICKS. So you are talking about a very small fraction?

Mr. ESPOSITO. Yes, sir. That has been taken care of since 1970.

Mr. DICKS. That is an attrition thing too, working that out over time? That number will go down?

Mr. ESPOSITO. Yes, sir. It has gone down continually.

Mr. GUARINO. I know you are concerned about the previous statement about the civilians that will be phased out. We have included in our statement the entire five-year plan for the phase-out. I believe it is in Attachment 3.

Mr. ESPOSITO. As a matter of record, Dr. Philbin, during testimony on March 24th, 1982 before this committee, submitted figures which indicate an increase in civilian technician positions from 4235 in fiscal year 1981 to 6418 in fiscal year 1986.

Mr. Chairman, distinguished committee members, how can unit readiness be enhanced by instituting a full-time military program that is totally unworkable?

In essence you are being asked to legislate out of existence the civilian technician program and the U.S. Army drilling Reserve program.

This will occur when all full-time military brought aboard to date, and those that are about to be requested from you are assigned unit MTOE/TDA positions.

This means virtually all key senior NCO and unit staff officer positions will be filled by full-time military.

What will happen to drilling reservists? No upward momentum. This will not only hinder careers of drilling reserves, it will end them.

What incentive will there be to join the Army Reserve?

How will junior enlisted and junior officer positions be filled? By drafting into the Army reserve?

What happens when the full-time military begin "rotating on a basis similar to the active components" as General Berkman testified will happen on March 24, 1982, before this committee?

I am sure you realize what this means to unit cohesiveness, Reserve units as an entity, not to mention large sums expended per each PCS move.

On the other hand, if you allow the present sham to continue and/or increase, then you condone (a) gross and calculated violations of your own direction; (b) duplication/tripling of effort; (c) non-unit deployable assets; (d) wasting of vast sums of money and (e) PCS moves.

PAY CAPS

All of the reasons behind the conversion of civilian technician positions to full-time military have either been unsuccessful and/or violated, or are no longer valid. Let us not forget that the original reason behind this exercise was the high cost of wage grade personnel.

Mr. DICKS. Wait a minute. Since that time there has been a cap on pay for the wage grade personnel and the civil service personnel, both white collar and blue collar, and military pay increases have been substantially higher?

Mr. ESPOSITO. That is correct.

Mr. DICKS. Doesn't that undercut their argument that this is now a more cost effective way to proceed?

Mr. ESPOSITO. They have taken the position, I believe, that cost is no longer important; that now readiness is important.

Mr. DICKS. Since the cost issue is now the one—

Mr. ESPOSITO. Since it is obvious that it is much more expensive.

Mr. DICKS. Having dealt with the Pentagon, I know how they can shift ground.

Mr. GUARINO. Correspondence received by us flatly concedes the fact of cost in this particular situation.

Mr. DICKS. You can't justify it on cost any more?

Mr. GUARINO. That is correct.

Mr. ESPOSITO. Mr. Chairman, the congressionally funded report stated that a possible remedy is the lifting of the congressionally mandated civilian personnel strength ceilings.

We civilian technicians, ourselves, have said for years that we need help. Help in the presence of lower grade, GS-3 and GS-4 clerical help.

Incidentally, Department of Army makes the same recommendation while simultaneously proposing abolishment of civilian technician positions and replacing them with full-time military at a 3 and 6 to 1 ratio. I believe this calculated ratio gives a real indication of the value placed on civilian technicians.

Be advised that the staff representing this committee's chairman attempted to arrange a meeting to be held on June 9, 1982, between ourselves, staff representing the Chairman of this committee, and representatives from DOD, and Department of Army, in Washington, D.C., in order to discuss and negotiate solutions to the many serious problems inherent in this situation.

Be further advised that representatives of DOD and Department of Army opted not to attend because, as they claim, they did not know whom to send.

We believe that their absence stems from a realization on their behalf that their position regarding this program is indefensible and these serious problems cannot be viably remedied.

In closing, gentlemen, let us put an end to this travesty which has a negative effect on unit readiness and morale to include a drain on the tax-paying American public.

Furthermore, let us write specific language into public law that no money in this or any other appropriations bill be used to fund the conversion of any civilian position in support of the Army Reserve, Air Reserve, Army National Guard and Air National Guard by active duty or Reserve military personnel, or to fund any existing active duty positions converted from a civilian status beyond the incumbent's present tour of duty.

This concludes my testimony.

[The statement of Mr. Esposito follows:]

STATEMENT

BY

JOHN M. ESPOSITO

CHAIRMAN, NATIONAL STEERING COMMITTEE

REPRESENTING CIVILIAN TECHNICIANS THROUGHOUT THE UNITED STATES

Mr. Chairman, my name is John Esposito. I am an Army Reserve Civilian Technician, First Sergeant with the 283D Transportation Co. (TT) in Boston, Massachusetts, and Chairman of the National Steering Committee representing Civilian Technicians throughout the United States. I testify today not only as a concerned Civilian Technician threatened by Army's plan to eliminate my job and career as well as the careers of thousands of technicians throughout the country, but also as a concerned citizen opposed to wasteful spending of taxpayer's money.

I would like to express my appreciation to the distinguished Chairman of the House Defense Appropriation Subcommittee, and the members of this committee, for their interest and concern in the well being of the civilian technician workforce. I am grateful for the opportunity to appear and testify before Congress on a matter of such vital importance.

Mr. Chairman, distinguished members of the committee: The time has come to end a situation which results in a waste of time, effort, and valuable resources. The time has come not only to end converting civilian technician positions to full-time military, but to reverse the process and return those converted positions to a civilian incumbency.

Time and again this committee has heard the paramount reasons for this exercise in futility are: Cost and unit readiness.

Let us, first, center on cost.

The expense of this program is extremely prohibitive and, still increasing. The additional cost per year for full-time military is about $10,000 per person for salary and benefits, most benefits being tax free. While the Department of Army speaks of payments to these full-time military individuals as "direct payments" it is apparent that they are not paid in "direct payments" but are compensated with many non-taxable "add-on" benefits. Within the past year basic pay has been increased, in varying amounts, from 10 to 17% for enlisted soldiers and by 14.3% for the officer corps. It is imperative that the committee keep in mind that converted civilian technician positions were filled with senior NCOs and officers which benefited from the maximum increases. In addition, quarters and subsistence allowances were increased 14.3%.

Federal income tax withholding decreased 5%, a new tax free

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benefit. Enlisted soldiers are now receiving a subsistence allowance while in a travel status or when hospitalized. Subsistence allowance while in a travel status has magnified costs, even more, due to the fact that most individuals brought aboard as full-time military were, and are, non-qualified and must be sent to school to learn the job. Unqualified personnel represent a gross violation of congressional direction.

Another new tax free benefit is: Variable housing allowance, VHA. Depending on the area of domicile an additional stipend is paid for housing, to officers and enlisted, above and beyond regular pay and benefit package which already includes a basic allowance for quarters. All soldiers, officers and enlisted, are entitled to VHA, the amounts vary depending on geographical domicile.

Using myself as an example: If I were to convert to full-time military, I would receive an additional $10,000 annually. What is most alarming is that out of a salary of approximately $28,000 annually, I would receive tax free dollars as follows: $4,086 quarters; $1,832 rations; $2,920 variable housing allowance. A total of almost $9,000 tax free dollars.

Other fringe benefit differences full-time military personnel enjoy over the civilian technician are:

Clothing maintenance allowance, a tax free benefit.

Leave: Military personnel are authorized, immediately upon entering the position, 30 days leave annually. This is over twice that of newly hired civilians who earn 13 days annually.

Medical and Dental: The Government subsidizes health insurance coverage for civilian technicians by paying 50% of the premiums. However, with regard to full-time military health benefits, not insurance, but actual care the Government either pays 100% at Government health facilities or 80% of all health and dental costs under the Champus Care Plan.

Sick Leave: The civilian technician is authorized 13 days sick leave annually as opposed to the full-time military that realize unlimited sick leave.

Retirement, Non-contributory by Military. Due to Congressional passage of PL 96-343, in 1981, which provides annuities to reserve component enlisted personnel who have accrued twenty years of active

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duty, it becomes possible for AGR technicians in converted civilian positions to retire when they have any combination of previous active duty; annual training as a reservist; and/or active duty tours, including time as an AGR technician, which amount to the equivalent of 20 years of service. Recent testimony before this committee, on 24 March 1982, by DOD, Asst. Deputy for Reserve Affairs, Dr. Philbin, indicated that in the US Army Reserve individuals brought aboard as full-time military average 13.6 years of tenure service. In short, large numbers of AGR personnel who fill converted civilian slots are well on their way to qualifying for retirement and will receive 50% or more of base pay immediately.

The minimum for civilian retirement is 55 years of age with 30 years of service.

Furthermore, all full-time military brought aboard represent a duplication of effort, indicating that every dollar spent on these full-time military is a dollar wasted, and represents another gross violation of congressional direction. Correspondence received by me during the past year from individuals representing Department of Army on this matter, state flatly that cost is not a priority. That the only priority is unit readiness. In other words, Department of Army conceded this exercise of converting civilian positions to full-time military is, indeed, very expensive.

Well, if cost is not the priority, then unit readiness must be! Time and again we hear of unit readiness. The ability of a unit to spring into mobilization/deployable status with a minimum of training time. How is unit readiness enhanced when: a. All full-time military brought aboard are <u>not</u> assigned the units they service thereby not making them unit deployable assets? Again, this is a gross violation of congressional direction! Department of Army's own regulation, AR 135-2, states that all AGR and add-on full-time military positions, both under the umbrella of the full-time manning program, will not be assigned to units they service.

b. When military personnel brought aboard represent a duplication of the civilian technician's effort, and when drilling reservists assigned unit MTOE/TDA positions are taken into account, the effort is tripled.

c. When reservists that accepted full-time military tours, filling converted civilian positions, were removed from MTOE/TDA troop

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unit assignments they held and attached to units they service. In fact, this is a condition they must agree to before being accepted. Again, Gentlemen, a flagrant violation of congressional direction.

d. When annual training time of reserve units, the most crucial training time for reserve units, usually 13-15 days per year, has, and is, being reduced due to lack of funds?

e. When equipment needed to train on is either outdated, cannot be repaired because parts are not available, or insufficient because of lack of funds?

f. When the bottom line, training of the individual soldier, has not changed. The most significant trainer is still the civilian technician, due to his varied knowledge of unit sections, unit mission, and years of experience. The only other trainers of unit personnel are drilling reservists assigned unit MTOE/TDA positions, unit mobilization/deployable assets. Obviously, these individuals, the civilian technician, also unit mobilization/deployable asset, and the drilling reservist are the people that have a direct concern/responsibility for unit readiness and successful mission accomplishment.

g. When Department of Army plans to eliminate 3,600 civilian positions over a five year period, involuntary removals, and replace the same at a ratio of 3 and 6 to 1. Each not assigned to units they service, non-unit deployable assets. DA has already notified the civilian workforce that effective 1 October 1982 all command supervisory staff administrative positions will be abolished and replaced with full-time military Asst. Deputy Cdr. positions. The civilian incumbents will be involuntarily removed, and a reduction in force will occur. This also reduces upward momentum. I would be neglect if I did not point out that General Berkman and Dr. Philbin have misled this committee regarding this proposal, and its negative effect, which has Department of Army approval, and has been circulating in the field for over a year. As a matter of record, Dr. Philbin, during testimony on March 24, 1982 before this committee, submitted figures which indicate an increase in civilian technician positions from 4,235 in FY '81 to 6,418 in FY '86.

General Berkman misrepresented the facts by stating "The Army Reserve Technician force, as currently programmed, remains stable. No further conversions are programmed at this time." Furthermore,

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regarding the civilian technician force, General Berkman stated "Progression is important in any career program and I can appreciate the importance of career progression for the technician forces."

I emphatically state that any involuntary conversion of a civilian technician position and assignment, rather than attachment, to unit MTOE/TDA positions in order to comply with congressional direction will result in a loss of two careers: One being the civilian technician function during the workweek, the other, and equally important, the loss of drilling reserve status in the unit.

Mr. Chairman, distinguished committee members, how can unit readiness be enhanced by instituting a full-time military program that is unworkable? As I just stated, civilian technicians separated involuntarily would lose two careers, civilian and their unit MTOE/TDA drilling reserve position, because, as senior NCOs or officers, their unit positions would be filled by full-time military. In essence you are being asked to legislate out of existence the civilian technician program and the US Army Drilling Reserve Program. This will occur when all full-time military brought aboard to date, and those that are about to be requested from you, representing involuntary civilian position conversions and add-on positions all under the unbrella of the full-time manning program are assigned unit MTOE/TDA positions. This means virtually all key senior NCO and unit staff positions will be filled by full-time military. What will happen to drilling reservists? No upward momentum! This will not only hinder careers of drilling reservists, it will end them. What incentive will there be to join the Army Reserve? How will junior enlisted and junior officer positions be filled? By drafting into the Army Reserve? What happens when the full-time military begin "Rotating on a basis, similar to the active components" as General Berkman testified will happen before this committee on March 24, 1982. I am sure you realize what this means to unit cohesiveness, reserve units as an entity, not to mention large sums expended per each PCS move.

On the other hand, Gentlemen, if you allow the present sham to continue, and/or increase, then you condone:

a. Gross, and calculated, violations of your direction.
b. Duplication/tripling of effort.
c. Non-unit deployable assets

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d. Wasting of vast sums of money.

e. PCS mones.

All of the reasons behind the conversion of civilian technician positions to full-time military have either been unsuccessful,and/or violated, or not valid. Let us not forget that the original reason behind this exercise was the high cost of wage grade personnel. In the Army Reserve the conversion of wage grade personnel resulted in a total failure, 16 out of 1,176 positions that were targeted for conversion. The congressionally funded MCR report bears out this fact. We believe, Department of Army and DOD arbitrarily directed conversions to the GS side of the house without thought of the consequences.

I should mention that compilation of the MCR report, as is mentioned in the report, was based on assumptions in many areas because Department of Army would not, or did not, supply actual facts, which obviously were negative. In spite of this, MCR Inc. found favorably toward the civilian technician and stated that a possible remedy is the lifting of the congressionally mandated civilian personnel strength ceilings. We, civilian technicians, ourselves have said for years that we need help. Help in the presence of lower grade, GS-3 and GS-4, clerical help, Incidentally, Department of Army makes the same recommandation while simultaneously proposing abolishment of civilian technician positions and replacing them with full-time military at a 3 and 6 to 1 ratio, that represent senior NCOs and Officers. I believe this calculated ratio gives a real indication of the value placed on civilian technicians.

Lower grade GS employees would render great assistance in pre-mobilization functions. As examples, IDT drill payroll, and daily clerical functions, freeing up the civilian technician to concentrate on the "meat" of the unit's existence: Mission, Training, Unit Readiness.

Be advised that the staff representing this committee's chairman attempted to arrange a meeting to be held on June 9, 1982, between ourselves, staff representing the chairman of this committee, and representatives of DOD and Department of Army, in Washington, DC, in order to discuss, and negotiate solutions, to the many serious problems inherent in this situation. Be further advised that representatives of DOD and Department of Army "opted" not to attend. Because, as they claim, "They

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did not know who to send." We believe that their absence stems from a realization, on their behalf, that their position regarding this program is indefensible, and these serious problems cannot be viably remedied.

In closing, Gentlemen, let us put an end to this travesty which has a negative effect on unit readiness and morale to include a drain on the tax-paying American public. Furthermore, let us write specific language into Public Law that no money in this or any other appropriation bill be used to fund the conversion of any civilian position in support of the Army Reserve, Air Reserve, Army National Guard and Air National Guard by active duty or reserve military personnel, or to fund any existing active duty positions converted from a civilian status beyond the incumbent's present tour of duty. This concludes my testimony.

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ATTACHMENT 1: COMMENTS BASED ON THE MCR REPORT AND CONCLUSIONS

Because we represent Army Reserve Technicians, and are ARTs ourselves, we further direct your attention to:

Department of Army Summary and Analysis of Department of Army Summary pages II-27 through II-33.

CONCLUSIONS & RECOMMENDATIONS, PAGES III-1 THROUGH III-2

Additional comments on these conclusions are:

Comment #2 - Individuals hired as full-time military displayed significant characteristic differences from new-hire dual-status civilian technicians based on the Military Occupational Speciality of the individuals which was not furnished MCR by Department of the Army, but was highlighted in the AFGE study. Reference MCR Report, page II-23, bears out our point as MCR states that qualification data of newly hired full-time military was not furnished by Department of Army and MCR assumed qualification status of these individuals.

Comment #3 - Due to the fact that newly hired full-time military are not on unit manning charts, unit readiness is negatively affected as all full-time military become status-quo technicians and are not unit deployable combat assets. Reference page II-68, par. 5, Other Considerations.

Comment #5 - Please refer to pages II-68 through II-73. Note figures used in the MCR report, pge. II-72, are based on 1979 dollar which showed a 27 million dollar additional cost to taxpayers if full-time military were hired to replace civilian employees.

Comment #7 - Implementation of example cited here defeats two of the paramount reasons for test; cost and unit readiness. This recommendation is also based on the unsupported, inaccurate assumption by MCR Inc. on the qualifications of the full-time military brought on board.

Comment #9 - Removal of civilian personnel strength ceilings would, in fact, enable a viable reserve component to become a reality at the least cost and maximum positive effect on unit readiness.

SECTION #7 - DEPARTMENT OF DEFENSE REPORT

Department of Defense Report on Technician Conversion Test. Please direct your attention to page 3 underlined comment.

Page #7, which indicates formula of civilian employees with regard to personnel strength ceilings. (Military Technician, here, refers to civilian employees).

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Page #9 through #11 which house Department of Defense conclusions.

SECTION #8 - FISCAL YEAR 82 CIVILIAN/MILITARY PAY SCALES

Fiscal Year 82 civilian and full-time military pay scales are inclosed in order to weigh Department of Defense statements highlighted in Section #7 regarding "desired readiness at the least cost".

SECTION #9 - LETTER, EXCERPTED, ARMY TIMES, DECEMBER 1981

Letter, excerpted from December 28, 1981 edition of Army Times Newspaper, indicating the growing anger expressed by Active Army personnel towards this program. This Active Army soldier also questions the merits of this program in several areas, including cost to taxpayers and the adverse effects on the Reserve and Active Army components.

What the writer is also alluding to is the fact that many experienced combat NCO's from the Active component may "coast" their last 4 to 6 years by resigning from the Active Army to become a non-mobilization "status-quo" AGR, FTS, technician in order to achieve 20 years and immediately collect full retirement benefits. This means that the United States Army, and nation, could loose the serviees of experienced, and/or trained combat NCO's, vital to successful combat missions, in the event of a national emergency.

This is a double loss due to the fact that these same experienced NCO's will no longer be available to train young recruits and inexperienced young active component members which is this nation's "front line".

SECTION # 10 - FORSCOM PROPOSED MILITARY TABLES OF ORGANIZATION & EQUIPMENT TO REPLACE CIVILIAN EMPLOYEES IN THE 94th U.S. ARMY COMMAND

Forces Command's proposal for the timely elimination of federal civilians in the 94th ARCOM.

In order to understand the proposed changes reference is made to page 6 of Forces Command's proposal (inclosed) in order to better understand these tables. Due to the planned numbers of full-time military replacing each civilian employee the immense cost of this sham is immediately evident. It should also be noted that none of these full-time military are combat deployable assets. You will note most civilians are being replaced on the basis of two or three to one.

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SUBJECT: FULL-TIME UNIT SUPPORT (FTUS)
A. FIRST US ARMY MSG 021630Z JUL 88, SAB.
1. EFFECTIVE 1 OCTOBER 1988, THE POSITION OF ASSISTANT DEPUTY MUSARC COMMANDER (ADMC) IS ESTABLISHED. THE ADMC WILL PROVIDE DAY-TO-DAY SUPERVISION FOR THE FULL-TIME WORKFORCE.
2. UPON ASSIGNMENT OF THE ADMC UNDER FTUS, THE COMMAND SUPERVISORY STAFF ADMINISTRATIVE ASSISTANT POSITION WILL BE ABOLISHED. COMMANDERS SHOULD CONTACT THE SERVICING CIVILIAN PERSONNEL OFFICE FOR ASSISTANCE TO ASSURE PROTECTION OF THE RIGHTS OF THE INCUMBENT CIVILIAN TECHNICIAN. CONVERSION OF OTHER INCUMBERED CIVILIAN TECHNI-
PAGE 02 RUEBJFA0108 UNCLAS
CIAN POSITIONS TO MILITARY IS NOT PLANNED UNTIL FY 89. GUIDANCE FOR CONVERSION OF THESE POSITIONS UNDER THE FTUS PROGRAM WILL BE PROVIDED AT A LATER DATE.

1535 EST
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SAMUEL S. STRATTON
Sixth District, New York

COMMITTEE ON
ARMED SERVICES

SUBCOMMITTEES
CHAIRMAN, PROCUREMENT AND
MILITARY NUCLEAR SYSTEMS
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May 24, 1982

Dear

I have received your letter and enclosures detailing the opposition of civilian employees of the Department of Defense in our area to the proposal to eliminate civilian employee positions and convert them to full-time military slots. The House Armed Services Committee in its report to accompany the FY 1983 defense authorization has included language that instructs the services not to convert any individual involuntarily.

If the slot is not occupied by a specific individual at the time, then the services are free to convert it to a full-time military position. However, they cannot take this step with any civilian who is presently serving.

I appreciate your keeping me posted on the opposition of people in our area to any effort along these lines and will continue to follow the situation very closely in my position on the House Armed Services Committee.

Sincerely yours,

12303

Best Available Copy

98-283 O - 82 - 12

ATTACHMENT 3: DEPARTMENT OF ARMY PROPOSAL TO INVOLUNTARILY CONVERT 3600 DUAL STATUS CIVILIAN TECHNICIAN POSITIONS

DEPARTMENT OF THE ARMY
HEADQUARTERS, 94th U.S. ARMY RESERVE COMMAND
ARMED FORCES RESERVE CENTER
HANSCOM A.F.B., MASSACHUSETTS 01731

AFKA-ACD-CG

12 July 1982

SUBJECT: Full-Time Unit Support Implementation Plan

1. Attached are copies of vugraphs supporting a briefing to Commander, FORSCOM, outlining Department of Army positions on the implementation of the full-time unit support program within the USAR. The briefing was presented to General Cavazos on June 29th. The information was received at the ARCOM on 2 July and was briefed to key ARCOM full-time personnel on 6 July. This is in keeping with my policy to present the most current information as soon as possible. By doing this, all in the ARCOM who are affected by the program are provided the best information on which they can formulate their respective career planning. It is essential that rumors and unfounded information not jeopardize an orderly transition of the program.

2. In addition, since a meeting was scheduled with your key civilian personnel on 15 July 1982, I decided to brief them on the program so they in turn could pass on the information to you expeditiously.

3. The attached information should be presented to key civilian and military members of your command without delay. As this headquarters receives additional information, you will be apprised and tasked to insure timely dissemination.

4. As an update, Headquarters, First United States Army on 1 October 1982 directed that the current Senior Army Advisor will fill the Assistant ARCOM Deputy Commander position. Approval of subsequent individual assignments to include category, i.e., Active Component or Active Guard Reserve, to that position will be at the discretion of the MUSARC commander.

5. I ask for your personal attention to help ensure a smooth and professional implementation of the program.

for Herbert J. Lenville COL
HERBERT J. RILEY
Major General, USAR
Commanding

1 Incl
as

CF:
CMDR DRUs
CMDR 3d JAG

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FULL-TIME UNIT SUPPORT

IMPLEMENTATION PLAN

BRIEFING

29 JUNE 1982

Best Available Copy

• BASE LEVEL OF FULL-TIME SUPPORT--18,564	APPROVED	FY 83-88
• CIVILIAN/MILITARY MIX--CIV-3,125/MIL-15,439	APPROVED	FY 83-88
• PHASE OUT/CONVERSION OF TECHNICIANS	APPROVED W/MOD	FY 84
• AC/RC MIX--AC 20%/RC 80%	APPROVED W/MOD	FY 85
• FULL-TIME ASSISTANT DEPUTY MUSARC CDR	APPROVED W/MOD	FY 83
• CONVERSION OF ADVISORS TO FTUS	APPROVED W/MOD	FY 83
• TDA ADMIN NCO FOR SELECTED MTOE UNITS	APPROVED	FY 83
• FULL-TIME MUSARC IG	DEFERRED	FY 84
• SUPPORT PERSONNEL FOR FTUS	APPROVED	FY 83
• AGR CAREER PROGRAM	APPROVED	FY 83
• ELIMINATE DOUBLE SLOTTING	APPROVED	FY 84-85
• AMSA/ECS	DEFERRED	FY 83

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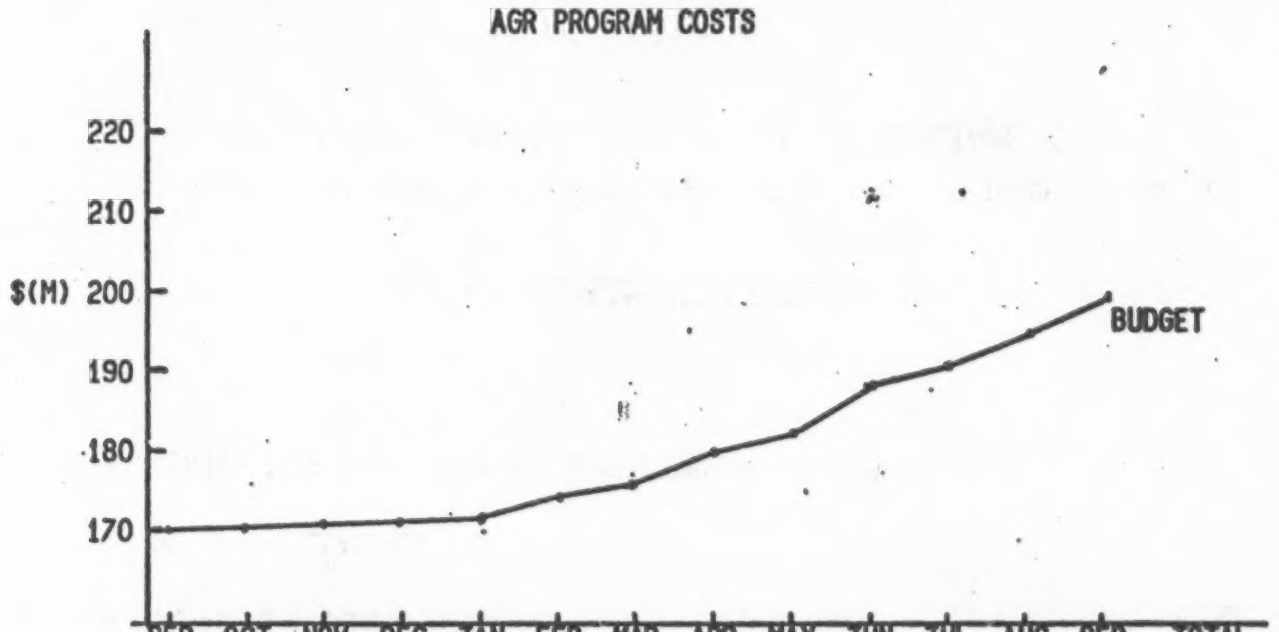

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
BUDGET	6285	67	110	110	120	170	220	229	179	192	205	217	147	8251
FORSCOM ALLOCATION - 80%		54	88	88	96	136	176	183	143	154	164	174	118	

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IMPACT

- SPT FOR THE FTUS FORCE
- (AGR) ASST DEPUTY MUSARC CDR

> UP FRONT

- OTHER CRITICAL AGR (CAMIS)
- CONUSA FAIR SHARE BY MONTH BASED PROPORTIONAL PLUS-UP

FORSCOM RECOMMENDATION

ESTABLISH A FULL-TIME UNIT SUPPORT FORCE OF 18,564: OF THESE, 15,439 WILL BE MILITARY, EITHER AC OR AGR, AND 3,125 WILL BE CIVILIANS.

Best Available Copy

HQDA POSITION

SUPPORT THE RECOMMENDED TOTAL UNIT FULL-TIME SUPPORT REQUIREMENTS. THIS IS IN LINE WITH THE ARMY TOA PROFILE WHICH SUPPORTS THE CURRENT UNIT FTS STRENGTH RAMP. DUE TO THE RECENT IMPACT OF THE OSD-DIRECTED TOA REDUCTIONS, DOLLARS AND SPACES SIMPLY ARE NOT AVAILABLE IN THE NEAR YEARS TO ACCELERATE THE PROGRAMMED INCREASES. HOWEVER, THE PERCENTAGE OF FTS IN THE FY 84-88 POM HAS BEEN INCREASED. IT RAMPS FROM 5.5 PERCENT OF END STRENGTH IN FY 84 TO 6.3 PERCENT OF END STRENGTH BY FY 88.

APPROVE THE CONCEPT OF REDUCING THE CIVILIAN STRENGTH AND CONVERSION OF POSITIONS TO MILITARY.

Best Available Copy

PLAN

- PLAN, PROGRAM AND BUDGET ANY INCREASES TO THE BASE LEVEL OF 18,564, STARTING WITH THE FY 85 - 89 POM.
- FTUS MODEL BECOMES THE STAFFING GUIDE BEGINNING FY 83.
- NEED TO ALIGN FTM MODEL AND REDESIGNATED TECHNICIANS WITH FTUS MODEL BEGINNING FY 83.
- PUBLISH PROCEDURES FOR CHANGING FTUS MODEL PRIOR TO FY 83.
- CONUSA IDENTIFY PRIORITY OF FILL FOR EACH FY.

Best Available Copy

FORSCOM RECOMMENDATION

INITIATE A FIVE YEAR TRANSITION PLAN TO PHASE OUT THE MAJORITY OF CIVILIAN SPACES. PERSONNEL WHO ARE ELIGIBLE WILL BE OFFERED THE OPPORTUNITY TO CONVERT TO MILITARY STATUS. OTHERS WILL BECOME ELIGIBLE FOR OPTIONAL RETIREMENT OVER THE FIVE-YEAR PERIOD. WE ANTICIPATE THE MAJORITY WILL REQUEST REGISTRATION IN THE PRIORITY PLACEMENT PROGRAM.

HQDA POSITION

THE CIVILIAN TRANSITION SHOULD BE ACCOMPLISHED IN FIVE SEPARATE ONE-YEAR INCREMENTS RATHER THAN ONE OVERALL FIVE-YEAR PERIOD. THIS WILL FACILITATE THE PROGRAM AND BUDGET PROCESS, PERMIT EMPLOYEES TO USE THE DISCONTINUED SERVICE RETIREMENT OPTION DURING ALL FIVE YEARS, AND MORE NEARLY EQUALIZE THE DEMANDS ON THE PRIORITY PLACEMENT PROGRAM. IT APPEARS MORE FEASIBLE TO BEGIN THE CONVERSIONS IN FY 84, WHICH WOULD ALLOW MORE PLANNING TIME AND WOULD NOT REQUIRE ANY REPROGRAMMING ACTION OR THE SUBMISSION OF A SUPPLEMENTAL BUDGET. FORSCOM SHOULD INCLUDE THE DETAILS IN NEXT BUDGET SUBMISSION.

Best Available Copy

PLAN

- USE PPBS PROCESS.
- CONVERSION RAMP:

FY 84	FY 85	FY 86	FY 87	FY 88	TOTAL
1400	800	500	350	162	3212

- METHODOLOGY:
  - ANNOUNCE RIF ACTION WITH NUMERICAL MILESTONES TO FORCE.
  - ESTABLISH A HIRE FREEZE.
  - ANNOUNCE PRECISE OPTIONS:
    - CONVERT TO MILITARY STATUS.
    - RETIRE, TO INCLUDE DISCONTINUED SERVICE OPTION.
    - TRANSFER, USE PPP SYSTEM.
    - BE SEPARATED AS NECESSARY TO COMPLY WITH SCHEDULE.
  - SURVEY TECHNICIANS AS TO DESIRES.
  - UNFILLED POSITIONS GO FIRST.
  - BOTTOM UP APPROACH, LOWER GRADES FIRST.
  - UNIT SEQUENCE TBD.

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FORSCOM RECOMMENDATION

ESTABLISH AN ACTIVE COMPONENT/RESERVE COMPONENT MIX OF 20%/80% OF THE MILITARY FTUS FORCE. THIS WOULD CALL FOR 3,088 AC SOLDIERS TO SERVE IN THE FTUS PROGRAM.

HQDA POSITION

AGREE IN PRINCIPLE WITH THE PROPOSAL TO INCREASE AC PARTICIPATION. THERE MUST BE A FLEXIBLE APPROACH, WITH THE ACTUAL MIX BASED ON REQUIREMENTS OF A SPECIFIC POSITION AND UNIT. DUE TO AC END STRENGTH CONSTRAINTS, WE WILL NOT BE ABLE TO BEGIN AN AC INCREASE IN FY 84. SPECIFIC REQUIREMENTS SHOULD BE DEVELOPED FOR FORSCOM'S SUBMISSION INTO THE FY 85-89 POM DEVELOPMENT PROCESS.

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PLAN

- BEGIN AC INCREASE IN FY 85.
- USE FY 85 - 89 POM.
- CONUSA COMMANDERS TO DETERMINE ACTUAL MIX BASED ON REQUIREMENTS.
- PUBLISH PROCEDURES FOR CHANGE.

FORSCOM RECOMMENDATION

ESTABLISH A TDA POSITION FOR A FULL-TIME ASSISTANT DEPUTY MUSARC COMMANDER, COLONEL, TO PROVIDE DAY-TO-DAY SUPERVISION FOR THE MUSARC FTUS WORKFORCE. THE MUSARC COMMANDER WILL DETERMINE THE RATER FOR THE POSITION.

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HQDA POSITION

APPROVED, WITH MODIFICATION. PROVIDE FLEXIBILITY IN IMPLEMENTATION. A SINGLE SOLUTION MAY NOT BE IN THE BEST INTERESTS OF ALL RESERVE ELEMENTS. PROVIDE FOR A MEANS FOR INDIVIDUAL COMMANDERS TO PARTICIPATE IN THE DECISION-MAKING PROCESS CONCERNING THIS POSITION IN THEIR UNITS. INCLUDE THIS CONCEPT IN THE IMPLEMENTING PLANS. FORSCOM SHOULD PROVIDE HQDA WITH DETAILS AND MILESTONES OF THE PLANS FOR THE ASSISTANT DEPUTY COMMANDER (ADC), ADVISOR, AND SENIOR STAFF ADMINISTRATIVE ASSISTANT POSITIONS, AS WELL AS PLANS FOR THE INCUMBENTS OF POSITIONS TO BE ELIMINATED OR CONVERTED. ONCE DECISIONS ARE MADE, MANNING DOCUMENTS SHOULD REFLECT THE COMPONENT (AC OR RC) OF THE ADC POSITIONS, WITH PROPOSED CHANGES SUBJECT TO THE NORMAL MANPOWER PROCESS.

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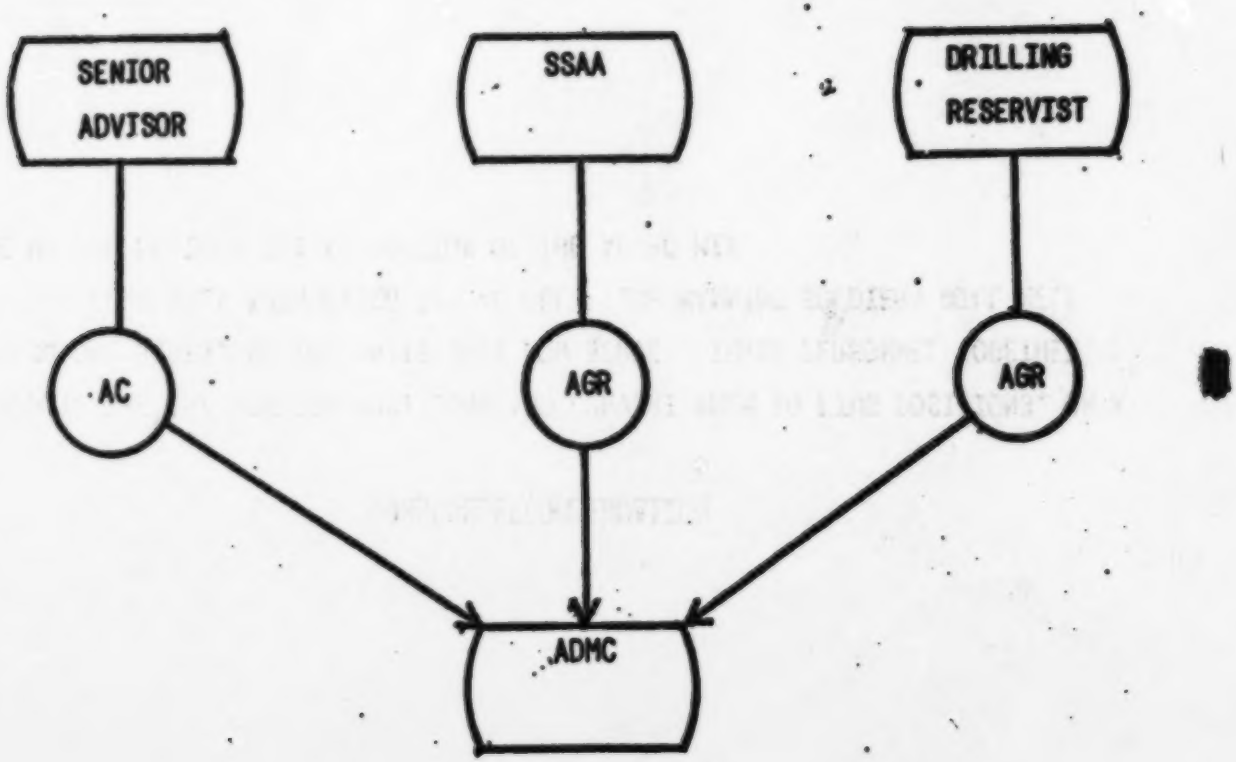
PLAN

- DETERMINE REQUIREMENTS (8 JUL 82):
  - AC OR AGR
  - IF AC, IS SENIOR ADVISOR THE FACE?
  - IF AGR, IS DRILLING RESERVIST THE FACE?
  - IF AGR, IS SSAA THE FACE? MUST HAVE COLONEL MILITARY STATUS. SPACE WOULD BE PROVIDED BY CONUSA FROM UNFILLED FY 82 REDESIGNATED TECHNICIAN SPACES.
  - IF AGR, DOES MUSARC WANT A NOMINATION?
- MUSARC COMMANDER PARTICIPATES WITH CONUSA COMMANDER IN SELECTION.
- IF AGR, SPACE COMES FROM FY 83 ALLOCATION.
- SSAA POSITION ELIMINATED FY 83.
- EFFECTIVE DATE - 1 OCT 82.

Best Available Copy



FORSCOM RECOMMENDATION

ELIMINATE THE 657 ADVISOR POSITIONS AND CONVERT THEM TO FTUS POSITIONS. ON A ONE-FOR-ONE BASIS, TO THE UNITS THEY NOW SERVE. THESE PERSONNEL TOGETHER WITH THE CURRENTLY AUTHORIZED 770 AC FULL TIME MANNING SOLDIERS WILL HELP MAKE UP THE DESIRED 20% AC PORTION OF THE AC/RC MIX.

98-283 O - 82 - 13

HQDA POSITION

APPROVED, WITH MODIFICATION. COMMANDER FORSCOM WILL CAREFULLY CONSIDER THE AFFECTED COMMANDER'S RECOMMENDATION AND NEEDS OF THE UNIT. THE PROGRAM MUST BE FLEXIBLE AND MAKE ALLOWANCES FOR THE FACT THAT CERTAIN UNITS WILL ALWAYS REQUIRE ADVISORS TO MEET THE SPECIAL NEEDS, SUCH AS GEOGRAPHICAL DISPERSION AND TECHNICAL REQUIREMENTS. INCLUDE THIS CONCEPT IN THE IMPLEMENTING PLANS. FORSCOM SHOULD PROVIDE HQDA WITH DETAILS AND MILESTONES OF THE PLANS FOR THE ASSISTANT DEPUTY COMMANDER, ADVISOR AND SENIOR STAFF ADMINISTRATIVE ASSISTANT POSITIONS, AS WELL AS PLANS FOR THE INCUMBENTS OF POSITIONS TO BE ELIMINATED OR CONVERTED. ONCE DECISIONS ARE MADE, MANNING DOCUMENTS SHOULD REFLECT THE CATEGORY (ADVISORY OR MEMBER OF THE ORGANIZATION) OF THE AC POSITIONS, WITH PROPOSED CHANGES SUBJECT TO THE NORMAL MANPOWER PROCESS.

PLAN

- MUSARC AND CONUSA COMMANDERS RECOMMEND, AND FORSCOM COMMANDER APPROVES CONTINUATION OF ANY ADVISOR POSITION.
- JUSTIFICATION FOR CONTINUING AN ADVISOR POSITION MUST HAVE COGENT REASONS, SUCH AS GEOGRAPHICAL DISPERSION AND TECHNICAL REQUIREMENTS. MUST BE SPECIFIC.
- ALL OTHER ADVISOR POSITIONS WILL BE CONVERTED TO AC FTUS POSITIONS.
- REMAINING ADVISOR POSITIONS WILL BE DOWNGRADED.
- MOVEMENT OF FACES THROUGH NORMAL PERSONNEL PROCESS.
- REQUIREMENTS FINALIZED NLT AUG 82.
- IMPLEMENTATION STARTS FY 83.

FORSCOM RECOMMENDATION

ESTABLISH AN ADMINISTRATIVE TDA POSITION. (SSG/SFC 71L30/40). FOR THOSE TOGE UNITS NOT AUTHORIZED AN ADMINISTRATIVE POSITION. THIS SOLDIER WILL HAVE DAY-TO-DAY RESPONSIBILITY FOR UNIT ADMINISTRATIVE DUTIES NORMALLY PERFORMED BY THE FIRST SERGEANT AND THE PERSONNEL ADMINISTRATIVE CENTER IN AC UNITS.

HQDA POSITION

APPROVED. . THERE SHOULD BE A CIVILIAN TRADE-OFF IN EACH UNIT FOR EACH ADMINISTRATIVE NCO POSITION ESTABLISHED.

PLAN

- START ASSIGNING TO SELECTED UNITS IN FY 83. FINISH IN FY 85.
- POSITIONS ARE BUILT INTO FTUS MODEL.

FORSCOM RECOMMENDATION

DEFER A DECISION ON A FULL-TIME MUSARC INSPECTOR GENERAL UNTIL THE RESULTS OF THE CURRENT TEST PROGRAM ARE ANALYZED IN FEBRUARY 1982.

HQDA POSITION

CONCUR. IF THE IG TEST PROVES SUCCESSFUL AND IS APPROVED, THESE POSITIONS CAN BE ESTABLISHED WITHIN THE OVERALL FTS PROGRAM.

PLAN

- FINAL IPR ON IG TEST IN SEP 82.
- PLAN TO DA BY NOV 82.
- DECISION ON PLAN BY FEB 83.
- PLAN WILL RECOMMEND AGR OFFICER (COL/LTC) FOR EACH MUSARC.
- MUSARCS WOULD GET IG'S STARTING FY 84.
- IG POSITION IS IN FTUS MODEL FOR MUSARCS.
- COORDINATED EFFORT BETWEEN CONUSA AND RCPAC TO IDENTIFY AND NOMINATE IG PERSONNEL.

FORSCOM RECOMMENDATION

PROVIDE THE ADDITIONAL PERSONNEL NECESSARY TO SUPPORT THE FTUS FORCE. THIS INCLUDES SUPPORT AT FORSCOM, CONUSA, ARMR, THE FORT McCOY TRAINING CENTER AND MILPOs AND F&AOs.

HQDA POSITION

APPROVED FOR PROGRAMING PURPOSES. THE EXACT NUMBER OF ADDITIONAL SUPPORT PERSONNEL WILL BE DETERMINED DURING THE BUDGET PROCESS.

PLAN

- NOT IN BUDGET; THEREFORE, OUT OF FTUS HIDE FOR FY 83.
- HOW MANY?

MILPO	77
ARTTC	18
FORSCOM	2
CONUSA	6
ARMR	0
MUSARCS	8
TOTAL SPT REQ	111

- FORSCOM PROVIDES CONUSA FAIRSHARE CUT OF 111 SPACES FROM FY 83 ALLOCATION.
- CONUSA DETERMINE WHERE CUT COMES FROM.
- NEW SPACES PROVIDED BY PPBS PROCESS:

FY 84	FY 85	FY 86	TOTAL
105	150	99	354

FORSCOM RECOMMENDATION

ESTABLISH A CAREER AGR PROGRAM. THIS PROGRAM SHOULD OFFER CAREER ENHANCEMENT OPPORTUNITIES, TO INCLUDE RESIDENT PROFESSIONAL MILITARY EDUCATION AND SHOULD PROVIDE FOR SELECTED ROTATION TO ACTIVE COMPONENT UNITS TO INCLUDE OCONUS TOURS. THIS WILL ALSO ASSIST IN CROSS FERTILIZATION. WHILE A TWENTY-YEAR TITLE II RETIREMENT SHOULD NOT BE GUARANTEED UP FRONT, THERE SHOULD BE REASONABLE EXPECTATION OF SUCH A RETIREMENT FOR SUPERIOR SOLDIERS WHO ENTER THE PROGRAM EARLY IN THEIR CAREER.

HQDA POSITION

EFFORTS ARE INCREASING TO DEVELOP A MORE COMPREHENSIVE PROGRAM TO MANAGE THE EXPANDING AGR FORCE. THE PLAN WILL PERMIT PERSONNEL TO ENTER THE AGR PROGRAM WITH AN OPPORTUNITY FOR AN ORDERLY CAREER PATTERN OF PROGRESSIVE MILITARY EDUCATION, PROMOTION, VARIED ASSIGNMENT, AND RETIREMENT. FORSCOM UNIT FTS REQUIREMENTS REPRESENT ONE INGREDIENT NECESSARY TO DEVELOP THIS PROGRAM. ODCSPER CONDUCTED A WORKSHOP ON 17 FEB 82 TO SPEED UP THIS PROCESS AND TO REVIEW THE ISSUE OF A CAREER PROGRAM. THE CONTRIBUTIONS MADE BY THE FORSCOM STAFF DURING THE WORKSHOP ARE APPRECIATED. THE DCSPER IS DEVELOPING A FORCE MANAGEMENT PLAN, WHICH WILL INCORPORATE AN AGR CAREER MANAGEMENT PLAN. THE PLAN WAS SENT OUT FOR STAFFING IN APRIL, WITH PUBLICATION CONTEMPLATED THIS SUMMER.

200

PLAN

- GENERAL OFFICER MEETING SCHEDULED FOR 16 JULY 1982.
  - FORSCOM
  - OSA
  - DA, DCSPER
  - OCAR
  - NGB
  - RCPAC
- FORSCOM'S MAIN ISSUES:
  - 2X RA PASSOVER POLICY
  - RCPAC, NOT OCAR, TO BE PROGRAM MANAGER.
- AGR CAREER PROGRAM IMPLEMENTING POLICY DOCUMENT, AR 140-18, TO BE FIELDED BY FY 83.

FORSCOM RECOMMENDATION

ELIMINATE DOUBLE SLOTTING IN THE LONG RUN.

HQDA POSITION

AS THE USAR FULL-TIME STRENGTH INCREASES, WE SHOULD PLAN TO ELIMINATE DOUBLE SLOTTING AND ITS INHERENT PROBLEMS. FORSCOM IMPLEMENTING PLANS SHOULD ENSURE THAT WE DO NOT BLOCK THE NORMAL CAREER PROGRESSION OF DRILLING RESERVISTS.

PLAN

- BEGINNING IN FY 83, ELIMINATE DUAL SLOTTING FOR THOSE POSITIONS NOT CURRENTLY OCCUPIED BY DRILLING RESERVISTS.

- DEVELOP IMPLEMENTING INSTRUCTIONS FOR ELIMINATION OF REMAINING POSITIONS NLT 2D QTR FY 83.

AMSA

AMSA GROUND MAINTENANCE PERSONNEL CAN MEET MOBILIZATION "SURGE" REQUIREMENTS AT MOBILIZATION STATIONS.

- "SURGE" REQUIREMENTS ARE GENERALLY MORE CRITICAL THAN TPU MEMBERSHIP. EXCEPTIONS MAY BE AIR AND MARINE AMSA.
- AMSA PERSONNEL WHO ARE PURE CIVILIANS ARE NOT IMMEDIATE MOBILIZATION ASSETS.
- REQUIRE DUAL STATUS FOR AMSA PERSONNEL - PREFERABLY AS IMA TO MOB STATIONS.

HQDA POSITION

- DEFERRED

- FURTHER STUDY

DEPARTMENT OF THE ARMY
HEADQUARTERS, FIRST UNITED STATES ARMY
FORT GEORGE G. MEADE, MARYLAND 20755

AFKA-RM-FM

9 JUL 1982

SUBJECT: Full-Time Unit Support (FTUS) Models

Commanders, Major US Army Reserve Commands

1. Reference message, HQ First US Army, AFKA-CS, 231700Z Apr 82, subject: Full-Time Unit Support (FTUS).

2. At Inclosure 1 is the latest printout of your headquarters' FTUS models. All changes and adjustments discussed during on-site visits to this Headquarters with FORSCOM representative, 12-23 April 1982, should be reflected in this printout.

3. Any omissions should be annotated and addressed, in bulk, at a later date. The moratorium on requesting further changes, imposed by above reference, is still in effect.

4. Inclosure 1 should be retained and used as a working copy to start matching faces with spaces. All future FTUS projects and requests for information, generated by this Headquarters or higher headquarters, will be based on this document.

FOR THE COMMANDER:

1 Incl
as

RICHARD F. KOLASHESKI
Colonel, GS
Deputy Chief of Staff
Resource Management

ATTACHMENT 4: DEPARTMENT OF ARMY PROPOSAL FOR 94th AROCM SHOWING REPLACEMENT RATE FOR CONVERTED DUAL STATUS CIVILIAN POSITIONS (ROUGHLY 3-6 AGR FOR EACH CIVILIAN CONVERTED) PLUS MILITARY AID-CMS (WHO ARE NOT ASSIGNED TO THE UNIT)

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PLAN

- ISSUE DEFERRED.

- DA STUDYING TWO ALTERNATIVES:
  - MEMBERSHIP IN IRR REQUIRED
  - ELIMINATE DUAL STATUS COMPLETELY

- DA DECISION EXPECTED BY END OF FY 82.

TIME LINE

29 JUN	CONFIRMATION ON THE RIGHT COURSE
2 JUL	INFO BRIEFING TO CG
	GUIDANCE/STAFFING
14 JUL	EXECUTIVE SESSION W/COMMANDERS
	DETAIL PLAN FORSCOM
	CONUSA STAFFING
31 AUG	DECISION BRIEFING TO CG
	PREP FOR IMPLEMENTATION
1 OCT	SELECTED IMPLEMENTATION BEGINS

DA INTERFACE

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AS OF 07/07/82 FTUS ARCOM MANAGEMENT REPORT PCN 05111A PAGE 045

FOR

ARCOM 94TH ARCOM

SRC- UIC- WR7KAA ASSTR- 125 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- CT
UNIT NAME- 0411 CA CO HOME STATION- W HARTFRD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ASSTR	GR	FUNC	DISPLAY	MOS
101	02	OPNS OFF	"750601"	1	04	O/T	AGR	44900
101	10	SUPPLY SGT		1	E6	SUP	AGR	76Y50
101	15	UNIT CLERK		1	E5	CLK	AGR	75B20
101	18	MOTOR SGT		1	E6	MNT	AGR	64H50
110	04	ADMIN SUPV		1	E6	ADM	AGR	71L30

SRC- UIC- WR7KA1 ASSTR- 56 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- CT
UNIT NAME- 0411 CA CO SEC 1 HOME STATION- DANBURY CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ASSTR	GR	FUNC	DISPLAY	MOS
101	09	ASST OPNS SGT	"750601"	1	E6	O/T	AGR	71L30
104	04	ADMIN SP		1	E5	ADM	AGR	71L20

SRC- UIC- WR7AA ASSTR- 125 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- RI
UNIT NAME- 0443 CA CO HOME STATION- WARWICK CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ASSTR	GR	FUNC	DISPLAY	MOS
101	02	OPNS OFF	"750601"	1	04	O/T	AGR	44900
101	10	SUPPLY SGT		1	E6	SUP	AGR	76Y50
101	15	UNIT CLERK		1	E5	CLK	AGR	75B20
101	18	MOTOR SGT		1	E6	MNT	AGR	64H50
110	04	ADMIN SUPV		1	E6	ADM	AGR	71L30

PREPARED BY HQ MILITARY DISTRICT WASHINGTON FORCES COMMAND

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AS OF 07/07/82 FTUS ARCON MANAGEMENT REPORT PCN 0511A PAGE 844

FOR

ARCON 94TH ARCON

SRC- UIC- WR2DAA AGSTR- 28 ARMR- 1 ARCOM- 94TH ARCON AR- 1 STATE- MA
UNIT NAME- 0468 EN PLT FIREFIGHTING HOME STATION- DANVERS CCINB- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ASSTR	GR	FUNC	DISPLAY	MOS
101	02	FIRE CHIEF "790216"	1	E7	O/T	AGR	51N4O

SRC- UIC- WSCGA1 AGSTR- 73 ARMR- 1 ARCOM- 94TH ARCON AR- 1 STATE- MA
UNIT NAME- 0351 MB HSP SEC 1 HOME STATION- SACO CCINB- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ASSTR	GR	FUNC	DISPLAY	MOS
000	00	TMG OFF "810116"	1	03	O/T	AGR	67H00
133	J2	PS NCO	1	E7	ADM	AGR	75Z30
138	05	MEDICAL SUPPLYMAN	1	E5	SUP	AGR	76J10

SRC- UIC- WSCGA2 AGSTR- 50 ARMR- 1 ARCOM- 94TH ARCON AR- 1 STATE- MA
UNIT NAME- 0351 MB HSP SEC 2 HOME STATION- CHESTER CCINB- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ASSTR	GR	FUNC	DISPLAY	MOS
000	00	TMG OFF "810116"	1	03	O/T	AGR	67H00
133	J2A	PS NCO	1	E7	ADM	AGR	75Z30

PREPARED BY HQMEPCS JOINT DEPLOYMENT FORCES COMMAND

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PCN 05114

FTUS ARCOM MANAGEMENT REPORT

AS OF 07/07/82

FOR

ARCOM 94TH ARCOM

SRC- UIC- WSCKAI AGSTR- 104 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- PA
UNIT NAME- 0325 MB MSP -EN SEC 1 HOME STATION- WORCESTER CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPOS		ROSTR	GR	FUNC	DISPLAY
		"810116"	1	04	O/T	AGR
330	30	TAG OFF	1	E7	ADM	AGR
133	02	PS NCO	1	E5	SUP	AGR
138	05	MEDICAL SUPPLYMAN				

SRC- UIC- USR648 AGSTR- 0 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE-
UNIT NAME- W304 USAR TECH GRP 94 ARCA HOME STATION- LAUR G MA CCIND- N SPLIT- N DEPLOYABLE-

AMSA's

PARALINE	DPOS		ROSTR	GR	FUNC	DISPLAY
U52	00	AMSA 62G BOSTON	0	00	MNT	CIV
U52	01	MOB EQ WORKER FNH	1	W9	MNT	CIV
U52	02	MAINT ADMIN TECH	1	G6	MNT	CIV
U52	03	SUPPLY TECH/SUPPLY CLERK	1	G5	MNT	CIV
U52	04	MOB EQ WORKER LDR	1	W8	MNT	CIV
U52	05	ELECT MECH	1	W8	MNT	CIV
U52	06	MOB EQ WORKER	5	W8	MNT	CIV
U52	07	HVY MOB EQ WORKER	2	W8	MNT	CIV
053	00	AMSA 63G MANCHESTER	0	00	MNT	CIV
053	01	MOB EQ WORKER FNH	1	W9	MNT	CIV
053	02	MAINT ADMIN TECH	1	G6	MNT	CIV
053	03	SUPPLY TECH/SUPPLY CLERK	2	G5	MNT	CIV
053	04	MOB EQ WORKER LDR	1	W8	MNT	CIV
053	05	ELECT MECH	1	W9	MNT	CIV
053	06	MOB EQ WORKER	7	W9	MNT	CIV
053	07	HVY MOB EQ WORKER	8	W8	MNT	CIV
053	08	SMALL ARMS REPAIR	1	W7	MNT	CIV
353	09	TOOLS/PARTS ATTN	2	W5	MNT	CIV
354	00	AMSA 64G MIDWAY	0	00	MNT	CIV
354	01	MOB EQ WORKER FNH	1	W9	MNT	CIV
354	02	MAINT ADMIN TECH	1	G6	MNT	

CIV

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FOR

ARCOM 94TH ARCOM

PARALINE		DPOS	MOSTR	GR	FUNC	DISPLAY	MOS
054	03	SUPPLY TECH/SUPPLY CLERK	1	G5	MNT	CIV	02005
054	04	MOB EQ WORKER LDR	1	W8	MNT	CIV	05801
054	05	HVY MOB EQ WORKER	1	W1	MNT	CIV	05801
054	06	ELECT MECH	1	W9	MNT	CIV	02614
054	07	MOB EQ WORKER	4	W8	MNT	CIV	05801
054	08	HVY MOB EQ WORKER	3	W8	MNT	CIV	05801
055	00	ARSA 68G LINCOLN	0	00	MNT	CIV	00000
055	01	MOB EQ WORKER FMN	1	W9	MNT	CIV	05801
055	02	MAINT ADMIN TECH	1	G6	MNT	CIV	00301
055	03	SUPPLY TECH/SUPPLY CLERK	1	G5	MNT	CIV	02005
055	04	MOB EQ WORKER LDR	1	W8	MNT	CIV	05801
055	05	MOB EQ MECH	1	W1	MNT	CIV	05801
055	06	ELECT MECH	1	W9	MNT	CIV	02614
055	07	HVY MOB EQ WORKER	4	W9	MNT	CIV	05801
055	08	HVY MOB EQ WORKER	3	W8	MNT	CIV	05801
056	00	ECS 65G FT DEVENS	0	00	MNT	CIV	00000
056	01	ECS SUPV	1	W9	MNT	CIV	05801
056	02	MOB EQ WORKER FMN	1	W8	MNT	CIV	05801
056	03	MAINT ADMIN TECH	1	G6	MNT	CIV	00301
056	04	SUPPLY TECH/SUPPLY CLERK	1	G5	MNT	CIV	02005
056	05	RECORDS CLERK	1	G4	MNT	CIV	00301
056	06	MOB EQ WORKER LDR	1	W8	MNT	CIV	05801
056	07	MOB EQ WORKER	5	W8	MNT	CIV	05801
056	08	HVY MOB EQ WORKER	5	W8	MNT	CIV	05801
056	09	ELECT MECH	1	W8	MNT	CIV	02614
056	10	ARTY REPAIR	1	W8	MNT	CIV	06605
056	11	EQUIP OPR	1	W7	MNT	CIV	05703
056	12	TOOLS/PARTS ATTN	1	W5	MNT	CIV	06904
057	00	ASF 64 FT DEVENS	0	00	MNT	CIV	00000
057	01	SUPV ACFT PILOT	2	G3	MNT	CIV	02181
057	02	FLT INSTR	1	G2	MNT	CIV	02181
057	03	SUPV FLT TEST PILOT	1	G2	MNT	CIV	02181
057	04	ACFT DISPATCHER	1	G7	MNT	CIV	02151
057	05	MAINT ADMIN TECH	1	G6	MNT	CIV	00301
057	06	SUPPLY TECH/SUPPLY CLERK	1	G5	MNT	CIV	02005
057	07	RECORDS CLERK	1	G3	MNT	CIV	00372
057	08	FOREMAN	1	W1	MNT	CIV	05801
057	09	ELEC MECH AVIONICS	1	W2	MNT	CIV	02614
057	10	ACFT REPAIR LDSP	2	W1	MNT	CIV	06852

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FOR

ARCOM 94TH ARCOM

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
057	11	ACFT WORKER		18	W8	MNT	CIV	04452

SRC- UIC- W7PEAA AGSTR- 37 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATF- PA
UNIT NAME- HZPE 1001 USA CIV DES DET HOME STATION- MAYNARD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"790515"	1	E6	ADM	AGR	71A50
001	06	COMMUNICATIONS CENTER SUPV		1	E7	O/T	AGR	72E40

SRC- UIC- W8CJAA AGSTR- 165 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STAFF- HA
UNIT NAME- WSCJ 6094 USAR CHB INF HOME STATION- LAUR & KM CCIND- N SPLIT- N DEPLOYABLE- Y

70 FT

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
000	00A	NHC STAFF OFF	"800101"	1	03	O/T	AGR	74A00
000	00N	MISC		1	04	RM	AGR	53C00
000	001	PROGRAM ANALYST	* OR GS *	1	E6	RM	AGR	74F30
001	06	SEC STENO	* OR GS *	1	E6	CLK	AGR	71C30
001A	01	COES		1	06	SPV	AGR	13X00
001A	03	ADMIN SUPV		1	E7	ADM	AGR	71L40
002	02	ASST DCSPA		1	05	PER	AGR	41A00
002	13A	PROJECT MARSHAL		1	03	O/T	AGR	31A00
002	04	ADMIN OFF		1	03	ADM	AC	21A00
002	06	PHYS SEC NCO		1	E7	O/T	AGR	95B40
002A	05	UNIT PERS TECH		2	WO	PER	AGR	7114D
002A	06	PERS SGT		1	E8	PER	AGR	75Z50
002A	06A	PERS SGT		1	E7	PER	AGR	75Z40
002A	06B	PERS ADMIN SP		1	E5	PER	AGR	95B20
002A	09	ADMIN SP	* OR GS *	1	E5	PER	AGR	71L20
002A	10	SR MAIL/DISTR CLK	* OR GS *	1	E5	PER	AGR	71L20

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ARCON RATH ARCON

PARALINE	D P O S		ROSTR	GR	FUNC	DISPLAY	ADS
002A 11	PERS MGMT SP	* OR GS *	1	ES	PER	AGR	25620
002A 12	PERS RCDS CLK	* OR GS *	1	ES	PER	AGR	25620
002A 13	MAIL & DISTR CLK	* OR GS *	1	ES	PER	AGR	21620
003 32	ASST DCSDI		1	05	O/T	AGR	12800
033 34	ADMIN SP	* OR GS *	2	ES	CLK	AGR	21620
003A 33	TNG OFF		1	03	O/T	AGR	11800
003A 04	TNG OFF		1	03	O/T	AC	12800
003A 05	OPNS NCO		1	E8	O/T	AGR	11850
003A 06	OPNS NCO		1	E7	O/T	AC	21640
003A 07	ASST OPNS NCO		1	E6	O/T	AGR	21630
003d 02	SCHOOLS OFF		1	04	O/T	AGR	25x00
003C 05	INTEL NCO		1	E8	O/T	AC	96850
003C 06	ADMIN SP	* OR GS *	1	ES	CLK	AGR	21620
003D 01	CH AVIATION DIV		1	05	O/T	AGR	15400
003E 02	PLANS & OPNS OFF		1	03	O/T	AGR	54400
003E 02A	MOBILIZATION PLANNER		1	04	O/T	AC	54800
004 02	ASST DCSLOG		1	05	SUP	AC	92400
004 04	ADMIN SP	* OR GS *	1	ES	CLK	AGR	21620
004A 00A	PROPERTY CONTROL		2	WD	SUP	AGR	76x40
004A 00B	PROPERTY CONTROL		1	E8	SUP	AGR	76x50
004A 00C	PROPERTY CONTROL		1	E7	SUP	AGR	76x40
004A 05	FOOD ADV		1	WD	SUP	AGR	64120
004A 06	SUPPLY NCO		1	E8	SUP	AGR	76250
004B 02	MAINT OFF		1	04	MNT	AGR	91400
004A 03	MAINT TECH		1	WD	MNT	AGR	44140
004B 04	MAINT SUPPLY		1	E8	MNT	AGR	63250
004C 00A	ENGR TECH		1	WD	EN	AGR	31040
004C 01	CH ENGR DIV		1	05	EN	AGR	21400
004D 03	MOVEMENTS NCO		1	E7	SUP	AGR	21840
005 02	FINANCE OFF	* OR GS *	1	03	RM	AGR	44400
005 04	FINANCE NCO	* OR GS *	1	E7	RM	AGR	73C40
005A 01	CH PROGRAM & BUDGET		1	05	RM	AGR	45000
005A 03	BUDGET ANALYST	* OR GS *	1	03	RM	AGR	45000
005A 03A	BUDGET TECH		1	WD	RM	AGR	21140
005B 02	MANPOWER ANALYST		1	04	RM	AGR	54400
005C 03	AUDITOR	* OR GS *	1	03	RM	AGR	44000
005C 05	ADMIN CLERK	* OR GS *	1	ES	CLK	AGR	21620
005D 01	CH FORCE DEVELOPMENT		1	05	RM	AGR	54C00
005D 02	OPNS OFF - FORCE DEVELOPMENT		1	04	RM	AGR	54C00

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FOR

ARCOM 94TH ARCOM

SRC- 55118H710400 UIC- WQ22AA AGSTR- 131 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0235 TC CO TERMINAL SVC HOME STATION- BOSTON CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		B P O S	ROSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO "821016"	1	E7	ADM	AGR	71140
101	04	CH DOCUMENTS SUPV	1	E6	O/T	AGR	71W30
101	06	SUPPLY SGT	1	E6	SUP	AGR	76Y30
101	08	UNIT CLERK	1	E5	CLK	AGR	75B20
102	01	PLATOON LDR	1	02	O/T	AGR	0SC01
102	02	PLATOON SGT	1	E7	O/T	AGR	57H40
105	01	AUTO MAINT TECH	1	WO	MNT	AGR	63B40
105	03	MAINT SUPV	1	E6	MNT	AGR	63B30
105	04	PWR GEN/WVEH MECH	1	E5	MNT	AGR	63B20

DISPLAY TOTALS FOR SRC- 55118H

	SPV	ADP	PER	O/T	MNT	SUP	CLK	RET	HR	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FIA	0	0	0	0	1	0	0	0	0	0	0	1
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	1	0	3	2	1	1	0	0	0	0	8
TOTAL	0	1	0	3	3	1	1	0	0	0	0	9

FUNCTION TOTAL BY SRC- 55118H

ROL	0	1	0	3	3	1	1	0	0	0	0	9

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FOR

ARCOM 94TH ARCOM

PARALINE	D P U S		MASTR	GR	FUNC	DISPLAY	MOS
J38 J1	PAO		1	05	PA	AGR	66AU0
038 J2	PA NCO		1	E6	PA	AGR	R6Z50
011 03	SUPPLY SGT		1	E7	SUP	AGR	76Y40
011 04	UNIT CLERK	* OR 65 *	1	65	CLK	AGR	75W20
U12 J1	CHIEF RETENTION		1	05	RET	AGR	41H00
012 J2	RET OFF		1	04	RET	AGR	41H00
U12 03	RET OFF		1	03	RET	AGR	43W00
012 04	RET/OPNS NCO		1	E6	RET	AGR	79B50
012 05	RET/OPNS NCO		1	E7	RET	AGR	79B40
012 06	RET/OPNS NCO		1	E7	RET	AGR	29B40
U12 J6A	RET NCO		1	E7	RET	AGR	79B40
U12 J6B	SR PERS NCO		1	E7	RET	AGR	75Z40
U12 07	RET CLERK	* OR 65 *	1	E5	CLK	AGR	23L20

SRC- UIC- WBJJAA AGSTR- 82 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- PA
UNIT NAME- WBJJ 1171 USA TEC COM UNIT HOME STATION- BOSTON CCIND- Y SPLIT- N DEPLOYABLE- Y

PARALINE	D P O S		MASTR	GR	FUNC	DISPLAY	MOS
UJ1 J2	EXECUTIVE OFF	"810130"	1	05	O/I	AGR	87AY5
J12 03	PLANS/TNG OFF		1	04	O/I	AGR	95A54
002 08	ADMIN SP		1	E5	CLK	FTM	71L20
002A 05	ADMIN NCO		1	E6	ADM	AGR	71L30
002A 08	SUPPLY SGT		1	E5	SUP	AGR	76Y20
UJ3A 03	MOVEMENTS SUPV		1	E7	O/I	AGR	71L40

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FOR

ARCOM 94TH ARCOM

SRC- UIC- WBKEAA AGSTR- 82 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- WBKE 1169 U S A TRANS THL HOME STATION- BOSTON CCIND- Y SPLIT- N DEPLOYABLE- Y

PARALINE	D P O S	ROSTR	GR	FUNC	DISPLAY	MOS
U01 02	EXECUTIVE OFF	"810130" 1	05	O/T	AGR	87A95
U02 03	PLANS/TNG OFF	1	04	O/T	AGR	54A87
U02A 05	ADMIN NCO	1	E6	ADM	AGR	71L30
U02A 06	ADMIN SP	1	E5	CLK	FTM	71L20
U02A 03	SUPPLY SGT	1	E5	SUP	AGR	76Y20

SRC- UIC- WBKFAA AGSTR- 67 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- WBKF 1170 U S A TRANS THL HOME STATION- BOSTON CCIND- Y SPLIT- N DEPLOYABLE- Y

PARALINE	D P O S	ROSTR	GR	FUNC	DISPLAY	MOS
U01 02	EXECUTIVE OFF	"810130" 1	05	O/T	AGR	87A95
U02 03	PLANS/TNG OFF	1	04	O/T	AGR	54A87
U02A 05	ADMIN NCO	1	E6	ADM	AGR	71L30
U02A 06	ADMIN SP	1	E5	CLK	FTM	71L20
U02A 03	SUPPLY SGT	1	E5	SUP	AGR	76Y20

SRC- UIC- WBKHAA AGSTR- 67 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- WBKH 1172 U S A TRANS THL HOME STATION- BOSTON CCIND- Y SPLIT- N DEPLOYABLE- Y

PARALINE	D P O S	ROSTR	GR	FUNC	DISPLAY	MOS
U01 02	EXECUTIVE OFF	"810130" 1	05	O/T	AGR	87A95
U02 03	PLANS/TNG OFF	1	04	O/T	AGR	54A87
U02A 05	ADMIN NCO	1	E6	ADM	AGR	71L30
U02A 06	ADMIN SP	1	E5	CLK	FTM	71L20

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FOR

ARCOM 94TH ARCOM

PARALINE	POS		ADSTR	SR	FUNC	DISPLAY	MOS
002A	18	SUPPLY SGT	1	E5	SUP	AGR	76Y20

SRC- UIC- WBKGAA AGSTR- 252 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- ME
UNIT NAME- HSKA 1625 USA HOSP 90DOR HOME STATION- AUBURN CCINR- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ADSTR	SR	FUNC	DISPLAY	MOS
000	00	TMS OFF "761001"	1	04	O/T	AGR	67HU0
001	02A	SR ORMS OFF	1	05	SRX	AGR	67H00
001	03	SYSMG	1	E5	CLK	FTR	71C20
0078	03	MED SURGICAL NURSE	1	04	O/T	FTR	66H00
007B	05	WARDMASTER	1	E7	O/T	FTR	91C40
009B	02	MED SUPPLY SGT	1	E6	SUP	AGR	76J30
0110	01	PERS SGT	1	E7	ADM	AGR	75E60
011C	01	PERS MGMT SP	1	E5	ADM	AGR	75E20

SRC- UIC- W5KGA1 AGSTR- 75 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- ME
UNIT NAME- HSKA 1125 USAR HOSP SEC 1 HOME STATION- BANGOR CCINR- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ADSTR	SR	FUNC	DISPLAY	MOS
007C	01	SR CLINICAL SP	1	E5	O/T	AGR	91E30
011C	02	PERS MGMT SP	1	E5	ADM	AGR	75E30

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FOR

ARCON 94TH ARCON

SRC- UIC- WBZEAA AGSTR- 59 ARMR- 1 ARCOM- 94TH ARCON AR- 1 STATE- IN
UNIT NAME- WBZE 1033 USAR SCHOOL HOME STATION- PORTLAND CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	BPOS		ROSTR	GR	FUNC	DISPLAY	MOS
002	05	ADMIN SUPV "801001"	1	E7	ADM	AGR	71L40
002	07	ADMIN SP	1	E6	ADM	AGR	71L30
003	02	ASST OPNS OFF	1	04	O/T	AGR	00
003	06	OPNS NCO	1	E8	O/T	AC	11B50

SRC- UIC- WBZFAA AGSTR- 57 ARMR- 1 ARCOM- 94TH ARCON AR- 1 STATE- NH
UNIT NAME- WBZF 1034 USAR SCHOOL HOME STATION- MANCHESTR CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	BPOS		ROSTR	GR	FUNC	DISPLAY	MOS
002	05	ADMIN SUPV "801001"	1	E7	ADM	AGR	71L40
002	07	ADMIN SP	1	E5	ADM	AGR	71L30
003	02	ASST OPNS OFF	1	04	O/T	AGR	00
003	06	OPNS NCO	1	E8	O/T	AC	11B50

SRC- UIC- WBZJAA AGSTR- 73 ARMR- 1 ARCOM- 94TH ARCON AR- 1 STATE- MA
UNIT NAME- WBZJ 1037 USAR SCHOOL HOME STATION- BOSTON CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	BPOS		ROSTR	GR	FUNC	DISPLAY	MOS
002	05	ADMIN SUPV "801001"	1	E7	ADM	AGR	71L40
002	07	ADMIN SP	1	E6	ADM	AGR	71L30
002	17	ADMIN SP	1	E5	ADM	AGR	71L20
003	02	ASST OPNS OFF	1	04	O/T	AGR	00
003	06	OPNS NCO	1	E8	O/T	AC	11B50

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ARCON 94TH ARCON

SRC- UIC- WBZKAA AGSTR- 62 ARMR- 1 ARCOM- 94TH ARCON AR- 1 STATE- MA
UNIT NAME- WBZK 1C49 USAR SCHOOL HOME STATION- CHICOPEE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		DOSTR	GR	FUNC	DISPLAY	MOS
U02	05	ADMIN SUPV	"301001"	1	E7	ADM	AGR	71L40
U02	37	ADMIN SP		1	E4	ADM	AGR	71L30
U03	01	OPNS OFF		1	05	O/T	AGR	81
U03	06	OPNS NCO		1	E8	O/T	AC	11B50

DISPLAY TOTALS FOR SRC-

	SPV	ADM	PER	O/T	UNIT	SUP	CLK	RET	RQ	PA	EN	TOTAL
CIV	1	C	U	0	114	0	0	0	0	0	0	114
FTM	U	0	0	3	0	0	5	0	0	0	0	8
AC	0	1	0	8	U	1	0	0	0	0	0	10
AGR	2	24	11	32	7	15	10	8	11	2	2	124
TOTAL	2	25	11	43	123	16	15	8	11	2	2	258

FUNCTION TOTAL BY SRC-

RQL	2	25	11	43	121	18	15	8	11	2	2	258

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FOR

ARCOM 94TH ARCOM

SRC- 03500HZJJ100 UIC- WPUAA ASSTR- 10 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATUS- A
UNIT NAME- 0305 CM DET NBC DET HOME STATION- BROCKTON CCIMD- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPDS	ROSTR	GR	FUNC	DISPLAY	POI
101 34	CHEMICAL OPNS NCO "R20116"	1	E6	ADM	AGR	SCE

DISPLAY TOTALS FOR SRC- 03500H

	SPV	ADR	PER	O/T	MNT	SUP	CLK	RET	RQ	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTM	0	0	0	0	0	0	0	0	0	0	0	0	
AC	0	0	0	0	0	0	0	0	0	0	0	0	
AGR	0	1	0	0	0	0	0	0	0	0	0	1	
TOTAL	0	1	0	0	0	0	0	0	0	0	0		1

FUNCTION TOTAL BY SRC- 03500H

ROL	0	1	0	0	0	0	0	0	0	0		1

FOR

ARCOM 94TH ARCOM

SRC- 05035N5JU200 UIC- WRKUAA AGGTR- 759 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0483 EN BN COMBAT CORPS HOME STATION- N BEDFORD CCINB- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		RQSTR	GR	FUNC	DISPLAY	MOS
101	J2	EXECUTIVE OFF	"810416"	1	04	SPV	AGR	21A00
102	J5	SUPPLY SGT		1	E6	SUP	AC	76Y30
103	01	PAC SUPV		1	E7	PER	AGR	75Z40
103	07	CLERK TYPIST		1	E5	CLK	AGR	71L30
103	09	PB NCO		1	E6	PER	AGR	75Z30
103	10	PAC CLERK		1	E5	PER	AGR	75B20
105	01	ASST S-3		1	03	O/T	AC	21A00
105	02	OPNS/INS NCO		1	E6	O/T	FTR	12B50
105	03	NBC OPNS/STAFF NCO		1	E5	O/T	AGR	54E50
106	01	SUPPLY TECH		1	W3	SUP	FTR	76Y40
107	01	TAC COMMO CH		1	E7	MNT	AGR	31V40
108	01	EN EQUIP REPAIR TECH		1	W0	MNT	AGR	621A0
108	03	EN EQUIP MAINT SUPV		1	E7	MNT	AC	62H40

SRC- 05035N5JJ2C0 UIC- WRKUAD AGGTR- 143 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0483 EN BN CO A CMBT ARMY HOME STATION- ATTLEBORO CCINB- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		RQSTR	GR	FUNC	DISPLAY	MOS
000	J0	ADMIN NCO	"810416"	1	E7	ADM	AGR	71L40
103	11	PAC CLERK		1	E5	CLK	AGR	75B20
103	16	PWR GEN/MAIN MECH		1	E5	MNT	AGR	65B20
201	00	EN EQUIP REPAIR TECH		1	W3	O/T	AGR	621A0
201	02	EXECUTIVE OFF		1	02	O/T	AGR	21A00
201	06	MOTOR SGT		1	E6	MNT	AGR	63B30
201	07	OPNS SGT		1	E7	O/T	FTR	12B40
201	08	SUPPLY SGT		1	E6	SUP	AGR	76Y30
201	12	CONST EQUIP MECH		1	E5	MNT	AGR	62H20

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FOR

ARCOM 94TH ARCOM

SRC- 0503SH500200 UIC- WRK0UO AGSTR- 143 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- HA
UNIT NAME- 3433 EA HR CO H CMBT ARMY HOME STATION- TAUNTON CEIN= N SPLIT= N DEPLOYABLE= Y

PARALINE	POS		DESIG	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"810416"	E7	ADM	AGR	71L2P
103	12	PAC CLERK		E5	CLK	AGR	75B20
108	08	PUR GEN/MVER MECH		E5	MNT	AGR	63H20
201	00	ER EQUIP REPAIR TECH		WO	O/T	AGR	62E40
201	02	EXECUTIVE O/C		O3	O/T	AGR	71A4P
201	06	MOTOR SGT		E6	MNT	AGR	63B40
201	07	OPNS SGT		E7	O/T	FTM	11M4P
201	08	SUPPLY SGT		E6	SUP	AGR	76Y30
201	12	CONST EQUIP MECH		E5	MNT	AGR	62H2P

DISPLAY TOTALS FOR SRC- 0503SH

	SPV	ADP	PER	O/T	MNT	SUP	CLK	RET	RV	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTM	0	0	0	3	0	1	0	0	0	0	0	4	
AC	0	0	0	1	1	1	0	0	0	0	0	3	
AGR	1	2	3	5	8	2	3	0	0	0	0	24	
TOTAL	1	2	3	9	9	4	3	0	0	0	0		31

FUNCTION TOTAL BY SRC- 0503SH

ROL	1	2	3	9	9	4	3	0	0	0	0		31

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FOR

ARCOM 94TH ARCOM

SRC- 05037H500200 UIC- WRKBCO AGSTR- 0 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0493 CA MN CO C CHUT ARMY HOME STATION- N BEDFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	D P O S		ASGTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN HCO	"810416" 1	E7	ADM	AGR	71L40
105	06	CLERK TYPIST	1	E5	CLK	AGR	71L20
108	06	PWR GEN/WVEH MECH	1	E5	MNT	AGR	63B20
201	00	EN EQUIP REPAIR TECH	1	WO	O/T	AGR	621A0
201	02	EXECUTIVE OFF	1	02	O/I	AGR	21A00
201	06	MOTOR SGT	1	E6	MNT	AGR	63B30
201	07	OPNS SGT	1	E7	O/T	FTN	12B40
201	08	SUPPLY SGT	1	E6	SUP	AGR	76Y30
201	12	CONST EQUIP MECH	1	E5	MNT	AGR	62B20

SRC- 05037H500200 UIC- WRKHDO AGSTR- 0 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0493 CA MN CO B CHUT ARMY HOME STATION- N BEDFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	D P O S		ASGTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN HCO	"810416" 1	E7	ADM	AGR	71L40
105	06	CLERK TYPIST	1	E5	CLK	AGR	71L20
108	06	PWR GEN/WVEH MECH	1	E5	MNT	AGR	63B20
201	00	EN EQUIP REPAIR TECH	1	WO	O/T	AGR	621A0
201	02	EXECUTIVE OFF	1	02	O/I	AGR	21A00
201	06	MOTOR SGT	1	E6	MNT	AGR	63B30
201	07	OPNS SGT	1	E7	O/T	FTN	12B40
201	08	SUPPLY SGT	1	E6	SUP	AC	76Y30
201	12	CONST EQUIP MECH	1	E5	MNT	AGR	62B20

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FOR

ARCOM RATH ARCOM

DISPLAY TOTALS FOR SRC- 05037M

	SPN	AGR	PER	O/T	MNT	SUP	CLK	NET	RM	PA	EM	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTR	0	0	0	2	0	0	0	0	5	0	0	7
AC	0	0	0	0	0	1	0	0	0	0	0	1
AGR	0	2	0	4	4	1	2	0	0	0	0	15
TOTAL	0	2	0	6	4	2	2	0	0	0	0	16

FUNCTION TOTAL BY SRC- 05037M

ROL	0	2	0	6	6	2	2	0	0	0	0	18

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* * * U N C L A S S I F I E D * * *

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FOR

ARCON 94TH ARCOM

SRC- 05052H699200 UIC- WKYAA AGSTR- 107 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0329 EN GRP HHC COMBAT HOME STATION- BROCKTON CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		DPOS		ASGTR	GR	FUNC	DISPLAY	MOS
000	00	BRIDGE SGT		1	E7	O/T	AGR	12C40
101	02	EXECUTIVE OFF	"830216"	1	05	SPW	AGR	21A00
102	03	SUPPLY SGT		1	E6	SUP	AC	76Y30
102	04	UNIT CLERK		1	E5	CLK	AGR	75B20
103	00	PERSONNEL TECH		1	WO	ADM	AGR	711A0
103	01	PS NCO		1	E7	ADM	AGR	75240
105	03	OPNS OFF		1	03	O/T	AC	21A00
105	06	OPNS SGT		1	E8	O/T	AGR	12250
105	07	NBC OPNS/STAFF NCO		1	E7	O/T	AGR	54H40
105	09	CONSTRUCTION INSPECTOR		1	E7	O/T	AC	51H60
105	13	CLERK TYPIST		1	E5	CLK	AGR	71L20
106	02	UNIT SUPPLY TECH		1	WO	SUP	AGR	76140
106	03	CH SUPPLY SGT		1	E8	SUP	AGR	76Z5R
107	01	AUTO REPAIR TECH		1	WO	MNT	AGR	63QAV
107	02	EN EQ MAINT TECH		1	WO	MNT	AGR	621AV
110	05	INSTR PILOT		1	WO	O/T	AGR	100BC

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FOR

ARCOM 94TH ARCOM

DISPLAY TOTALS FOR SRC- 05052H

	SPV	ADR	PER	O/T	MNT	SUP	CLK	RET	RQ	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTN	0	0	0	0	0	0	0	0	3	0	0	3
AC	0	0	0	2	0	1	0	0	3	0	0	6
AGR	1	2	0	4	2	2	2	0	0	1	0	14
TOTAL	1	2	0	6	2	3	2	0	0	0	0	16

FUNCTION TOTAL BY SRC- 05052H

BOL	1	2	0	6	2	3	2	0	0	0	0	16

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FOR

ARCOM 94TH ARCOM

SRC- 05107HU202CD UIC- WEGXAA AGSTR- 256 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0756 EN CO HOME STATION- WINGSAM CCINB- N SPLIT- N DEPLOYABLE- Y

PARALINE	S.P.O.S		RQSTR	GR	FUNC	DISPLAY	MOS
000	30	ADMIN NCO	1	E7	ADM	AGR	21L4M
101	32	OPNS SGT	"52091A" 1	E7	O/I	AC	12A5P
102	34	SUPPLY SGT	1	96	SUP	FTR	76Y4M
102	08	UNIT CLERK	1	85	CLK	AGR	71L1O
104	01	EN.EQ REPAIR TECH	1	MD	MNT	AGR	62B1O
104	06	CONST EQUIP MECH	1	E5	MNT	FTR	62B2O
104	09	PWR GEN/WVEH MECH	1	E5	MNT	AGR	63H1O
104	25	OIL CLERK	1	85	CLK	AGR	71L1O
105	02	PLATOON SGT	1	E7	O/I	AGR	12C4M
110	01	ASST BDE ENGR	1	03	O/I	AGR	21A0M

DISPLAY TOTALS FOR SRC- 05107H

	SPV	ADM	PER	O/I	MNT	SUP	CLK	REI	MP	PA	CM	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTR	0	0	0	0	1	1	0	0	0	0	0	2
AC	0	0	0	1	0	0	0	0	0	0	0	1
AGR	0	1	0	2	2	0	2	0	0	0	0	7
TOTAL	0	1	0	3	3	1	2	0	0	0	0	10

FUNCTION TOTAL BY SRC- 05107H

ROL	0	1	0	3	3	1	2	0	0	0	0	10

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FOR

ARCOM 94TH ARCOM

SRC- 0511SH3UU200 UIC- WS5FAA AGSTR- 850 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MN
UNIT NAME- 0368 CA DH CMT MNT HOME STATION- MANCHESTER CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS			RSTR	GR	FUNC	DISPLAY	MOS
101	02	EXECUTIVE OFF	"810316"	1	04	SPV	AGR	21B00
102	05	MN SUPPLY SGT		1	E6	SUP	AC	76Y30
103	01	PAC SUPV		1	E7	PER	AGR	75Z40
103	07	CLERK TYPIST		1	E5	CLK	AGR	71L20
103	10	PS NCO		1	E6	PER	AGR	75Z30
133	11	PAC CLERK		1	E5	PER	AGR	75B20
104	01	CIVIL ENGR		1	03	O/T	AC	21B00
104	04	OPNS SGT		1	E6	O/T	FTM	51Z50
104	08	NCC OPNS/STAFF NCO		1	E6	O/T	AGR	54C30
105	01	UNIT SUPPLY TECH		1	WO	SUP	AGR	761A0
105	02	SUPPLY SGT		1	E7	SUP	AGR	76Y4K
106	01	AUTO MAINT TECH		1	WO	MNT	AGR	63UAU
107	01	TAC COMMO CH		1	E7	MNT	AGR	31V40

SRC- 0511SH3UU200 UIC- WS5FA0 AGSTR- 193 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MN
UNIT NAME- 0368 EN MN CO B HOME STATION- LACONIA CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS			RSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"810316"	1	E7	ADM	AGR	71L40
133	13	PAC CLERK		1	E5	CLK	AGR	75B2U
301	02	CONST OFF		1	02	O/T	AGR	21B00
301	04	CONST SUPV		1	E7	O/T	FTM	51H40
301	06	SUPPLY SGT		1	E6	SUP	AGR	76Y30
332	01	SECTION LDR		1	WO	MNT	AGR	621A0
332	04	CONST EQUIP MECH		1	E5	MNT	AGR	62B20
332	11	PLL CLERK		1	E5	CLK	AGR	76C2U

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FOR

ARCON 94TH ARCON

SRC- DS11SM300200 UIC- WS5FCD AGSTR- 193 ARMR- 1 ARCON- 94TH ARCON AR- 1 STATE- MI
UNIT NAME- 0166 FA BN CO F HOME STATION- RUTLAND CCINR- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPOS		AGSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"810316" 1	E7	ADM	AGR	71L40
301	11	PAC CLERK	1	E5	CLK	AGR	75B20
301	02	CONST OFF	1	02	O/I	AGR	21H00
301	04	CONST SUPV	1	E7	O/I	FTR	51H40
301	06	SUPPLY SGT	1	E6	SUP	AGR	76Y30
302	01	SECTION LDR	1	WO	MNT	AGR	621A0
302	04	CONST EQUIP MECH	1	E5	MNT	AGR	62B20
302	11	PLL CLERK	1	E5	CLK	AGR	76C20

SRC- DS11SM300200 UIC- WS5F00 AGSTR- 193 ARMR- 1 ARCON- 94TH ARCON AR- 1 STATE- MI
UNIT NAME- 0166 FA BN CO A HOME STATION- CONCORD CCINR- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPOS		AGSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"810316" 1	E7	ADM	AGR	71L40
301	12	PAC CLERK	1	E5	CLK	AGR	75B20
301	02	CONST OFF	1	02	O/I	AGR	21H00
301	04	CONST SUPV	1	E7	O/I	FTR	51H40
301	06	SUPPLY SGT	1	E6	SUP	AGR	76Y30
302	01	SECTION LDR	1	WO	MNT	AGR	621A0
302	04	CONST EQUIP MECH	1	E5	MNT	AGR	62B20
302	11	PLL CLERK	1	E5	CLK	AGR	76C20

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FOR

ARCOM 94TH ARCOM

DISPLAY TOTALS FOR SRC- 05115N

	SPT	ADM	PER	O/T	MNT	SUP	CLK	RET	RS	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTM	3	0	0	4	0	0	0	0	3	0	0	4	
AC	0	0	0	1	0	1	0	0	0	0	0	2	
AGR	1	3	3	4	8	5	7	0	0	0	0	31	
TOTAL	1	3	3	9	8	6	7	0	0	0	0		17

FUNCTION TOTAL BY SRC- 05115N

GOL	1	3	3	9	8	6	7	0	0	0	0		17

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FOR

ARCOM 94TH ARCOM

SRC- 05117H300200 UIC- W55FAU AGSTR= 0 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- WH
UNIT NAME- 0368 EN BN CO A COMBAT HVY HDWG STATION- MANCHESTER CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D-P-O-S		AGSTR	GR	FUNC	DISPLAY	MOS
030	00	ADMIN NCO	"810316"	1	E7	ADM	AGR	71L40
231	14	SUPPLY SGT		1	E6	SUP	AC	76Y30
202	03	CONST EQUIP MECH		1	E5	MNT	AGR	62J20
202	04	LT WVEH/PWR GEN MECH		1	E5	MNT	AGR	63J20
202	06	EQUIP MAINT CLERK		1	E5	CLK	AGR	76C20
202	14	EN EQUIP MAINT TECH		1	W3	MNT	AGR	621A0
202	19	HVY WVEH MECH		1	E5	MNT	AGR	63B20
203	31	PLATOON LEADER		1	02	O/T	AGR	21B00
203	32	CONST EQUIP SUPV		1	E7	O/T	AC	62N40
209	31	EN EQUIP REPAIR TECH		1	W0	MNT	AGR	621A0
209	32	EN EQUIP REPAIR SUPV		1	E7	MNT	AGR	62B40

DISPLAY TOTALS FOR SRC- 05117H

	SPN	ARP	PER	O/T	MNT	SUP	CLK	REI	AN	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTM	0	0	0	0	0	0	0	0	0	0	0	0	
AC	0	0	0	1	0	1	0	0	0	0	0	2	
AGR	0	1	0	1	6	0	1	0	0	0	0	9	
TOTAL	0	1	0	2	6	1	1	0	0	0	0		11

FUNCTION TOTAL BY SRC- 05117H

ROL	0	1	0	2	6	1	1	0	0	0	0		11

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FOR

ARCOM 94TH ARCOM

SRC- 07015HQ20200 UIC- WRGRAA AGSTR- 790 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- ME
UNIT NAME- 0016 IN HN 03 HOME STATION- SCARBOUGH CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		RQSTR	GR	FUNC	DISPLAY	MOS
101	02	BN EXECUTIVE OFF	"811016"	1	04	SPV	FTN	11B00
102	02	HHC EXECUTIVE OFF		1	02	O/T	AGR	11B00
102	04	SUPPLY SGT		1	E6	SUP	AGR	76Y30
103	00	UNIT PERS TECH		1	WO	PER	AGR	71LA0
103	01	S-3 AIR		1	03	O/T	AC	11A0[illegible]
103	04	OPNS NCO		1	E8	O/T	AGR	11H50
103	08	CLERK TYPIST		1	E5	CLK	AGR	71L[illegible]
103	11	HHC OPNS/STAFF NCO		1	E6	O/T	AGR	54B3[illegible]
103	17	PAC SUPV		1	E7	ADM	AGR	76Y40
103	19	PAC CLERK		1	E5	CLK	AGR	71L[illegible]
107	00	UNIT SUPPLY TECH		1	WO	SUP	AGR	76Y[illegible]
110	02	MOTOR SGT		1	E7	MNT	AGR	63H[illegible]

SRC- 07015HQ20200 UIC- WRGRAD AGSTR- 169 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- ME
UNIT NAME- 0016 IN HN 03 CO A HOME STATION- DEXTER CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		RQSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"811016"	1	E7	ADM	AGR	71L[illegible]
103	08	CLERK TYPIST		1	E5	CLK	AGR	71L20
201	04	SUPPLY SGT		1	E6	SUP	AGR	76Y30
201	07	ARMORER		1	E5	MNT	AGR	76T20
202	01	PLATOON LDR		1	02	O/T	FTN	11B00
202	02	PLATOON SGT		1	E7	O/T	AC	11H30

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SRC- 07015H020200 UIC- WRGRBO AGSTR- 169 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0016 IN BN 03 CO B HOME STATION- ROCKLAND CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"B11016"	1	E7	ADM	AGR	71L40
103	13	PAC CLERK		1	E5	CLK	AGR	75B20
231	04	SUPPLY SGT		1	E6	SUP	AGR	76Y30
231	07	ARMORER		1	E5	MNT	AGR	76Y20
232	01	PLATOON LDR		1	02	O/T	FTM	11H00
232	02	PLATOON SGT		1	E7	O/T	AC	11B40

SRC- 07015H020200 UIC- WRGRCO AGSTR- 169 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0016 IN BN 03 CO C HOME STATION- AUBURN CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"B11016"	1	E7	ADM	AGR	71L40
103	19A	PAC CLERK		1	E5	CLK	AGR	75B20
231	04	SUPPLY SGT		1	E6	SUP	AGR	76Y30
231	07	ARMORER		1	E5	MNT	AGR	76Y20
232	01	PLATOON LDR		1	02	O/T	FTM	11H00
232	02	PLATOON SGT		1	E7	O/T	AC	11B40

SRC- 07015H020200 UIC- WRGRPO AGSTR- 153 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0016 IN BN 03 CBT SPT CO HOME STATION- ROCHESTER CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"B11016"	1	E7	ADM	AGR	71L40
531	02	EXECUTIVE OFF		1	02	O/T	FTM	11H00

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FOR

ARCOM 94TH ARCOM

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
301	05	SUPPLY SGT		1	E6	SUP	AGR	74Y30
301	09	EQUIP MAINT CLERK		1	E5	MNT	AGR	76C20
301	18	PWR GEN/MVEH MECH		1	E5	MNT	AGR	63B20

SRC- 07015H020200 UIC- WR6SAA AGSTR- 790 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0018 IN HH 03 HOME STATION- LAWRENCE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
101	02	HH EXECUTIVE OFF	"811016"	1	04	SPV	FTR	11B00
102	02	HHC EXECUTIVE OFF		1	02	O/T	AGR	11B00
102	04	SUPPLY SGT		1	E6	SUP	AC	74Y30
103	00	UNIT PERS TECH		1	WO	PER	AGR	71LA0
103	01	S-3 AIR		1	03	O/T	AC	11A00
103	04	OPNS SGT		1	E8	O/T	AGR	11B50
103	08	CLERK TYPIST		1	E5	CLK	AGR	75B20
103	11	HHC OPNS/STAFF NCO		1	E6	O/T	AGR	54E30
103	17	PAC SUPV		1	E7	ADM	AGR	75Z40
103	19	PAC CLERK		1	E5	CLK	AGR	75B20
107	00	UNIT SUPPLY TECH		1	WO	SUP	AGR	76A40
110	02	MOTOR SGT		1	E7	MNT	AGR	63B40

SRC- 07015H020200 UIC- WR6SAD AGSTR- 169 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0018 IN HH 03 CO A HOME STATION- ROSLINDALE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		ROSTR	GR	FUNC	DISPLAY	MOS
103	00	ADMIN NCO	"811016"	1	E7	ADM	AGR	71L40
103	08	CLERK TYPIST		1	E5	CLK	AGR	71L20
201	04	SUPPLY SGT		1	E6	SUP	AGR	74Y30
201	07	ARMORER		1	E5	MNT	AGR	74Y20

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ARCOM 94TH ARCOM

PARALINE		D P O S		RQSTR	GR	FUNC	DISPLAY	MOS
202	01	PLATOON LDR		1	02	O/T	FTM	11B00
202	02	PLATOON SGT		1	E7	O/T	AC	11B40

SRC- 07015H023200 UIC- WRGSHD AGSTR- 169 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0018 IN BN 03 CO B HOME STATION- BROCKTON CCIND- N SPLIT- N DEPLOYABLE-

PARALINE		D P O S		RQSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"811016"	1	E7	ADM	AGR	71L40
103	18	PAC CLERK		1	E5	CLK	AGR	75B20
201	04	SUPPLY SGT		1	E6	SUP	AGR	76Y30
201	07	ARMORER		1	E5	MNT	AGR	76Y20
202	01	PLATOON LDR		1	02	O/T	FTM	11A00
205	02	PLATOON SGT		1	E7	O/T	AC	11C40

SRC- 07015H023200 UIC- WRGSPD AGSTR- 153 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0018 IN BN 03 CBT SPT CO HOME STATION- DANVERS CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S		RQSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"811016"	1	E7	ADM	AGR	71L40
301	02	EXECUTIVE OFF		1	02	O/T	FTM	11B00
301	05	SUPPLY SGT		1	E6	SUP	AGR	76Y30
301	09	EQUIP MAINT CLERK		1	E5	MNT	AGR	76C20
301	18	PWR GEN/WVEH MECH		1	E5	MNT	AGR	63H20

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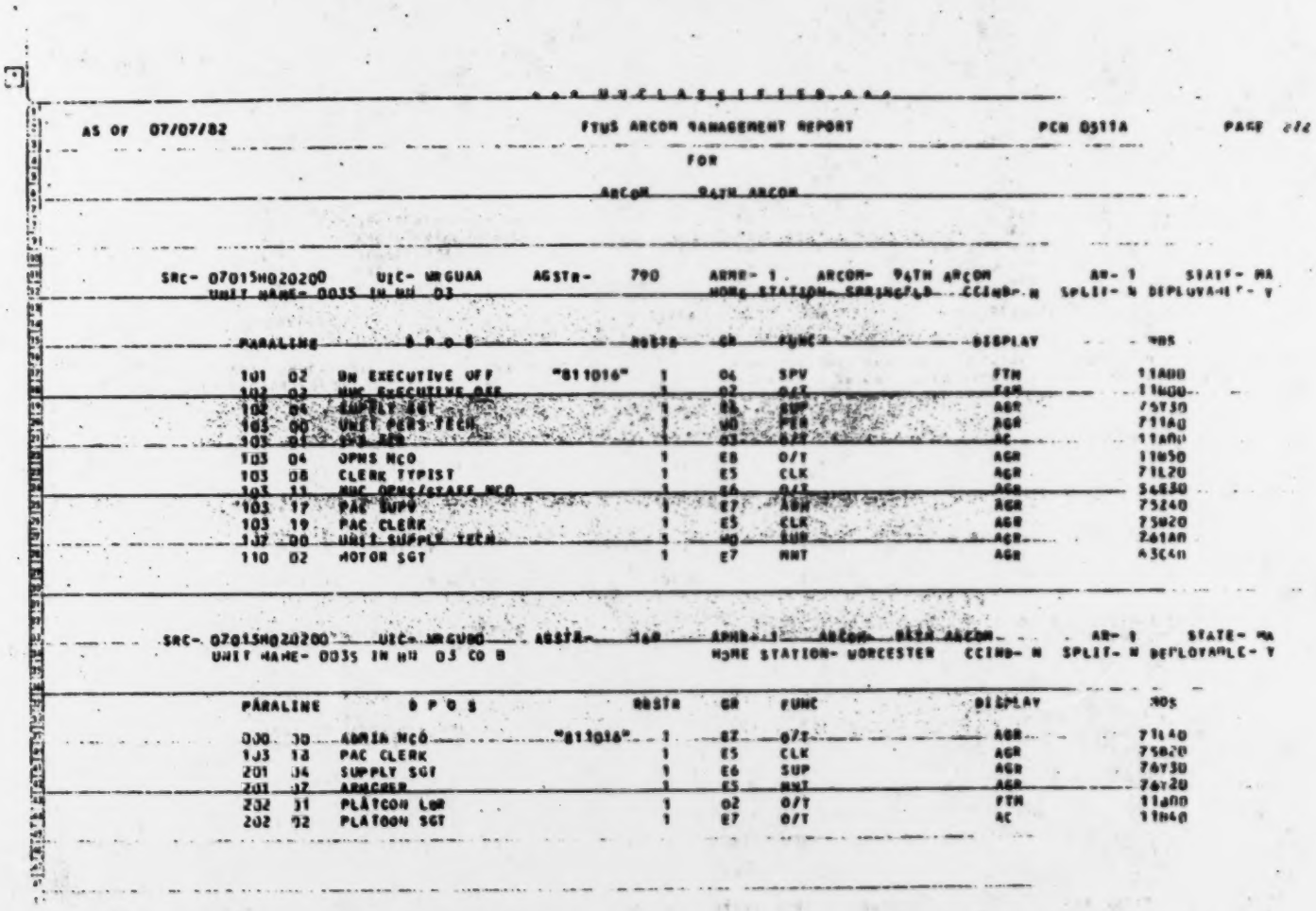

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FOR

ARCOM 94TH ARCOM

SRC- 07015H020200 UIC- WRGUAA AGSTR- 790 ARMY- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0035 IN HH 03 HOME STATION- SPRINGFLD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		DPOS		AGSTR	GR	FUNC	DISPLAY	MOS
101	02	BN EXECUTIVE OFF	"811016"	1	04	SPV	FTN	11A00
102	03	HHC EXECUTIVE OFF		1	03	O/I	FTN	11A00
102	04	SUPPLY SGT		1	E6	SUP	AGR	76Y30
103	00	UNIT PERS TECH		1	W0	PER	AGR	711A0
103	01	S-3 NCO		1	E3	O/I	AC	11A00
103	04	OPNS NCO		1	E6	O/I	AGR	11B50
103	08	CLERK TYPIST		1	E3	CLK	AGR	71L20
103	13	HHC OPNS/STAFF NCO		1	E6	O/I	AGR	54B30
103	17	PAC SUPV		1	E7	ADM	AGR	75Z40
103	19	PAC CLERK		1	E5	CLK	AGR	75B20
107	00	UNIT SUPPLY TECH		1	W0	SUP	AGR	761A0
110	02	MOTOR SGT		1	E7	MNT	AGR	63C40

SRC- 07015H020200 UIC- WRGUBB AGSTR- 790 ARMY- 1 ARCOM- BETA ARCOM AR- 1 STATE- MA
UNIT NAME- 0035 IN HH 03 CO B HOME STATION- WORCESTER CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		DPOS		AGSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"811016"	1	E7	O/I	AGR	71L40
103	18	PAC CLERK		1	E5	CLK	AGR	75B20
201	04	SUPPLY SGT		1	E6	SUP	AGR	76Y30
201	17	ARMORER		1	E5	MNT	AGR	76Y20
202	01	PLATOON LDR		1	02	O/I	FTN	11A00
202	02	PLATOON SGT		1	E7	O/I	AC	11H40

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FOR

ARCON 94TH ARCON

SRC- U7015HU20200 UIC- WRGUCO AGSTR- 169 ARMR- 1 ARCON- 94TH ARCON AR- 1 STATE- MA
UNIT NAME- 0035 IN HH 03 CO C HOME STATION- CHICOPEE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		P.O.S		AGSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"811016"	1	E7	ADM	AGR	71L40
103	19A	PAC CLERK		1	E5	CLK	AGR	75B20
201	04	SUPPLY SGT		1	E6	SUP	FTM	76Y30
201	07	ARMORER		1	E5	MNT	AGR	76Y20
202	01	PLATOON LDR		1	03	O/T	FTM	11H00
202	02	PLATOON SGT		1	E7	O/T	FTM	11H40

SRC- U7015HU20200 UIC- WRGUPO AGSTR- 153 ARMR- 1 ARCON- 94TH ARCON AR- 1 STATE- MA
UNIT NAME- 0035 IN HH 03 CUT SPT CO HOME STATION- PITTSFLD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		P.O.S		AGSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"811016"	1	E7	ADM	AGR	71L40
301	02	EXECUTIVE OFF		1	02	O/T	FTM	11H00
301	05	SUPPLY SGT		1	E6	SUP	FTM	76Y30
301	09	EQUIP MAINT CLERK		1	E5	MNT	AGR	76C20
301	18	PWR GEN/UVEH MECH		1	E5	MNT	FTM	63H20

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FOR

ARCOM 96TH ARCOM

DISPLAY TOTALS FOR SRC- 07015H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	AET	RM	PA	EN	TOTPL
CIV	0	C	0	0	0	0	0	0	0	0	0	0
FTM	3	0	0	12	1	2	0	0	0	0	0	18
AC	0	0	0	0	0	1	0	0	0	0	0	1
AGR	0	12	3	9	15	13	13	0	3	0	0	70
TOTAL	3	12	3	30	16	16	13	0	3	0	0	96

FUNCTION TOTAL BY SRC- 07015H

ROL	3	12	3	30	16	16	13	0	0	0	0	96

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FOR

ARCOM 94TH ARCOM

SRC- 0791HH0311CO UIC- WRGSCU AGSTR- 0 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0035 IN BN 03 CO C HOME STATION- LAWRENCE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		RQSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO "811016"	1	E7	ADM	AGR	71140
193	19A	PAC CLERK	1	E5	CLK	AGR	71L20
201	04	SUPPLY SGT	1	E6	SUP	FTM	76Y30
201	07	ARMORER	1	E5	MNT	AGR	76Y20
202	01	PLATOON LDR	1	02	O/T	FTM	11000
202	02	PLATOON SGT	1	E7	O/T	FTM	11040

SRC- 0701HH000130 UIC- WRGUAQ AGSTR- 0 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0035 IN BN 03 CO A HOME STATION- SPRINGFLD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		RQSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO "811016"	1	E7	ADM	AGR	71140
193	18	CLERK TYPIST	1	E5	CLK	AGR	71L20
201	04	SUPPLY SGT	1	E6	SUP	FTM	76Y30
201	07	ARMORER	1	E5	MNT	AGR	76Y20
202	01	PLATOON LDR	1	02	O/T	FTM	11000
202	02	PLATOON SGT	1	E7	O/T	FTM	11040

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FOR

ARCOM 94TH ARCOM

DISPLAY TOTALS FOR SRC- 07018H

	SPN	ADP	PER	O/I	MNT	SUP	CLK	RET	HR	PA	FN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	0	0	0	4	0	2	0	0	0	0	0	6
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	2	0	0	2	0	2	0	0	0	0	6
TOTAL	0	2	0	4	2	2	2	0	0	0	0	12

FUNCTION TOTAL BY SRC- 07018H

ROL	0	2	0	4	2	2	2	0	0	0	0	12

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FOR

ARCOM 94TH ARCOM

SRC- 07102H0UJ20U UIC- WAGV4A AGSTR- 271 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0187 IN DBE HQ CO HOME STATION- FT DEVENS CCTHD- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ROSTR	GR	FUNC	DISPLAY	MOS
000	00	BUDGET OFF	1	03	RM	AGR	45R00
000	00A	BUDGET SPEC	1	E6	RM	AGR	75B30
000	00B	PROPER COUNT	1	00	SUP	AGR	761A0
101	02	DEPUTY G01 CDR "820416"	1	06	SPV	AGR	11XU0
101	06	SEC-STENO	1	E6	CLR	AGR	71C30
102	01	EXECUTIVE OFF	1	05	O/T	FIN	11XB0
103	02	ASST S-1	1	03	ADM	AGR	41A00
103	03	PERS MGMT SUPV	1	E8	ADM	AGR	75Z50
103	04	CLERK TYPIST	1	E5	CLR	AGR	71L20
105	02	ASST S-3	1	04	O/T	AC	11A00
105	07	ASST OPNS SGT - AIR	1	E7	O/T	AGR	11U20
106	01	S-4	1	04	SUP	AC	97U00
106	04	CH SUPPLY SGT	1	E8	SUP	AGR	76Z50
114	06	NHC OPNS/STAFF NCO	1	E7	O/T	AGR	54E40
121	02	NHC EXECUTIVE OFF	1	02	O/T	AGR	11X00
121	04	SUPPLY SGT	1	E6	SUP	AGR	76Y30
121	05	UNIT CLERK	1	E5	CLR	AGR	75B20
121	06	ARMORER	1	E5	MNT	AGR	76Y20
122	01	MAINT SUPV	1	E8	MNT	AGR	61B40

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FOR

ARCOM 94TH ARCOM

DISPLAY TOTALS FOR SRC- 07102H

	SPV	ADM	PER	OPT	PNT	SUP	CLK	MEC	RS	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTN	0	0	0	1	0	0	0	0	0	0	0	1	
AC	0	0	0	1	0	1	0	0	0	0	0	2	
AGR	1	2	0	3	2	3	3	0	2	0	0	16	
TOTAL	1	2	0	5	2	4	3	0	2	0	0		19

FUNCTION TOTAL BY SRC- 07102H

ROL	1	2	0	5	2	4	3	0	2	0	0		19

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FOR

ARCOM 94TH ARCOM

SRC- 08122N2J0100 UIC- WSALAA AGSTR- S2 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0803 MD GRP HHB HOME STATION- BROCKTON CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	D P O S		AGSTR	GR	FUNC	DISPLAY	MOS
101 03	EXECUTIVE OFF	"820716"	1	05	SPV	AGR	67000
101 05	S-1		1	04	ADM	AGR	67F00
101 06	S-2/S-3		1	04	O/T	FTM	67H00
102 05	UNIT CLERK		1	E5	CLK	AGR	75B20
103 02	PS NCO		1	E7	ADM	AGR	75Z40
103 03	ADMIN SP		1	E5	ADM	AGR	71L20
104 02	OPNS SGT		1	E9	O/T	AGR	91H50
104 03	ASST OPNS SGT		1	E8	O/T	AGR	91H50
104 07	NBC OPNS/STAFF NCO		1	E7	O/T	AGR	54E40
105 01	HEALTH SVC MAT'L OFF		1	03	SUP	AGR	67K00
105 03	CH SUPPLY SGT		1	E8	SUP	AC	76Z50

SRC- 08122N2001BU UIC- WSAGAA AGSTR- S2 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0123 MD GRP HHB HOME STATION- CHICOPEE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	D P O S		AGSTR	GR	FUNC	DISPLAY	MOS
101 03	EXECUTIVE OFF	"820716"	1	05	SPV	AGR	67000
101 05	S-1		1	04	ADM	AGR	67F00
101 06	S-2/S-3		1	04	O/T	FTM	67H00
102 05	UNIT CLERK		1	E5	CLK	AGR	75B20
103 02	PS NCO		1	E7	ADM	AGR	75Z40
103 03	ADMIN SP		1	E5	ADM	AGR	71L20
104 02	OPNS SGT		1	E9	O/T	AGR	91H50
104 03	ASST OPNS SGT		1	E8	O/T	AGR	91H50
104 07	NBC OPNS/STAFF NCO		1	E7	O/T	AGR	54E40
105 01	HEALTH SVC MAT'L OFF		1	03	SUP	AGR	67K00
105 03	CH SUPPLY SGT		1	E8	SUP	AC	76Z50

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FOR

ARCOM MAIN ARCOM

DISPLAY TOTALS FOR SRC- 08122H

	SPV	ADM	PER	OPT	MNT	SUP	CLK	REF	RN	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTN	0	0	0	2	0	0	0	0	0	0	0	2	
AC	0	0	0	0	0	2	0	0	0	0	0	2	
AGR	2	6	0	6	0	2	2	0	0	0	0	18	
TOTAL	2	6	0	8	0	4	2	0	0	0	0		22

FUNCTION TOTAL BY SRC- 08122H

ROI	2	6	0	8	0	4	2	0	0	0	0	22

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FOR

ARCOM 94TH ARCOM

SRC- 08123H000200 UIC- WSA6AA AGSTR- 254 ARTR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0139 MD NSP COMBAT SUPPORT HOME STATION- TAUNTON FCIND- M SPLIT- M DEPLOYABLE- Y

PARALINE		BPOS		RDSTR	GR	FUNC	DISPLAY	MOS
090	00	TNG OFF	"810716"	1	04	O/T	AGR	67H00
090	00A	SR CMNS OFF		1	05	SPV	AGR	67H00
102	03	UNIT CLERK		1	E5	CLR	AGR	75B20
103	01	ADJUTANT		1	03	ADM	AGR	67F00
103	02	PS NCO		1	E7	ADM	AGR	75Z40
103	36	CLERK TYPIST		1	E5	CLK	AGR	71L20
136	04	MED SUPPLY SGT		1	E6	SUP	AC	76J50
136	36	SCICR SGT		1	E7	MNT	AGR	45M40
106	09	PWR GEN/WHEH MECH		1	E5	MNT	AGR	63W20
114	02	WARDMASTER		1	E7	O/T	AC	91C40
115	02	MED SURGICAL NURSE		1	03	O/T	FTH	66H00

DISPLAY TOTALS FOR SRC- 08123H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	HR	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTH	3	0	0	1	0	0	0	0	0	0	0	1	
AC	0	0	0	1	0	1	0	0	0	0	0	2	
AGR	1	2	3	1	2	0	2	0	5	0	0	8	
TOTAL	1	2	0	3	2	1	2	0	0	0	0		11

FUNCTION TOTAL BY SRC- 08123H

BDL	1	2	0	3	2	1	2	0	0	0	0		11

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FOR

ARCOM 94TH ARCOM

SRC- 08128H400B00 UIC- W05CAA AGSTR- 9 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0327 FD CO CLEARING HOME STATION- BROCKTON CCIND- H SPLIT- N DEPLOYABLE- Y

PARALINE		--B P O S--	ROSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO "821016"	1	E7	ADM	AGR	71L40
101	03	EXECUTIVE OFF	1	03	O/T	AGR	67B00
101	08	MAINT RECOVERY SGT	1	E6	MNT	FTM	63H30
101	09	SUPPLY SGT	1	E6	SUP	FTM	76Y30
101	12	UNIT CLERK	1	E5	CLK	FTM	75H20
102	04	PLATOON SGT	1	E7	O/T	FTM	91B40

DISPLAY TOTALS FOR SRC- 08128H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	RS	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	0	0	0	1	1	1	1	0	0	0	0	4
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	1	0	1	0	0	0	0	0	0	0	2
TOTAL	0	1	0	2	1	1	1	0	0	0	0	6

FUNCTION TOTAL BY SRC- 08128H

ROL	0	1	0	2	1	1	1	0	0	0	0	6

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FOR

ARCOM 94TH ARCOM

SRC- 08502H100ICO UIC- WR99AA AGGTR- 73 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0404 RD CTR MED HSP HOME STATION- READING CCINR- N SPLIT- N DEPLOYABLE- Y

PARALINE		P.O.S	ROSTER	GR	FUNC	DISPLAY	MOS
030	00	SR OPNS OFF	"820716" 1	05	SPV	AGR	67H00
030	00A	ASSIST SP	1	E6	RM	AGR	73B30
300	008	PROPER COUNT	1	WO	SUP	AGR	76T40
102	02	ADJUTANT	1	04	ADM	AGR	67F00
102	05	PERS MGMT SUPV	1	E6	PER	AGR	75Z30
102	06	ADMIN SP	1	E5	ADM	AGR	71L20
102	08	CLERK TYPIST	1	E5	CLK	AGR	71L20
103	04	PLANS/OPNS OFF	1	04	O/T	FTR	67H00
103	06	MED REGULATING NCO	1	E8	O/T	AGR	91B50
103	07	ASST OPNS SGT	1	E7	O/T	AGR	91B40
103	13	NBC OPNS/STAFF NCO	1	E5	O/T	AGR	54E20
104	02	HEALTH SVC MAT'L OFF	1	03	SUP	AGR	67K00
104	04	MED SUPPLY SGT	1	E8	SUP	FTR	76J50
104	06	CLERK TYPIST	1	E5	CLK	AGR	71L20
108	02	MGMT ANALYST	1	03	RM	AGR	67C00

DISPLAY TOTALS FOR SRC- 08502H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	RM	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTR	0	0	0	2	0	1	0	0	0	0	0	3	
AC	0	0	0	0	0	0	0	0	0	0	0	0	
AGR	1	2	1	2	0	2	2	0	2	0	0	12	
TOTAL	1	2	1	4	0	3	2	0	2	0	0		15

FUNCTION TOTAL BY SRC- 08502H

RUL	1	2	1	4	0	3	2	0	2	0	0		15

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FOR

ARCOM 94TH ARCOM

SRC- 08551G70J00 LIC- WSCSAA AGSTR- 518 ARMY- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0351 RB HSP GEN 1000 BED HOME STATION- BEDFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS			RQSTR	GR	FUNC	DISPLAY	MOS
000	00	TNG OFF	"810116"	1	04	O/T	AGR	67H00
000	00A	SR CMNS OFF		1	05	SPV	FTR	67H00
101	04	S-1		1	04	ADM	AGR	67F00
101	05	S-4		1	04	SUP	AGR	67M00
102	01	CH ADMIN MCO		1	E6	ADM	AGR	71L30
102	05	CLERK TYPIST		2	E5	CLK	AGR	71L20
102	14	PS MCO		1	E7	PER	FTR	75Z40
103	04	PERS RCDS SP		1	E5	PER	AGR	75B20
104	03	UNIT CLERK		1	E5	CLK	AGR	75H20
105	06	PATIENT ADMIN SP		1	E5	ADM	AGR	71G20
108	02	MED SUPPLY SGT		1	E7	SUP	AGR	76J40
109	01	UTILITIES MAINT TECH		1	WD	MNT	AC	51U40
113	03	ASST CH NURSING SVC		1	04	O/T	FTR	66A00
113	15	CH WARDMASTER		1	E8	O/T	AC	91C50
113	18	WARDMASTER		1	E7	O/T	AGR	91C40

SRC- 08551G73J00 LIC- WSCFAA AGSTR- 518 ARMY- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0373 RB HSP GEN 1000 BED HOME STATION- BROCKTON CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS			RQSTR	GR	FUNC	DISPLAY	MOS
000	00	TNG OFF	"810116"	1	04	O/T	AGR	67H00
000	00A	SR CMNS OFF		1	05	SPV	FTR	67H00
101	04	S-1		1	04	ADM	AGR	67F00
101	05	S-4		1	04	SUP	FTR	67M00
102	01	CH ADMIN MCO		1	E6	ADM	AGR	71L30
102	05	CLERK TYPIST		2	E5	CLK	AGR	71L20
102	14	PS MCO		1	E7	PER	FTR	75Z40
103	04	PERS RCDS SP		1	E5	PER	AGR	75B20
104	03	UNIT CLERK		1	E5	CLK	FTR	75H20

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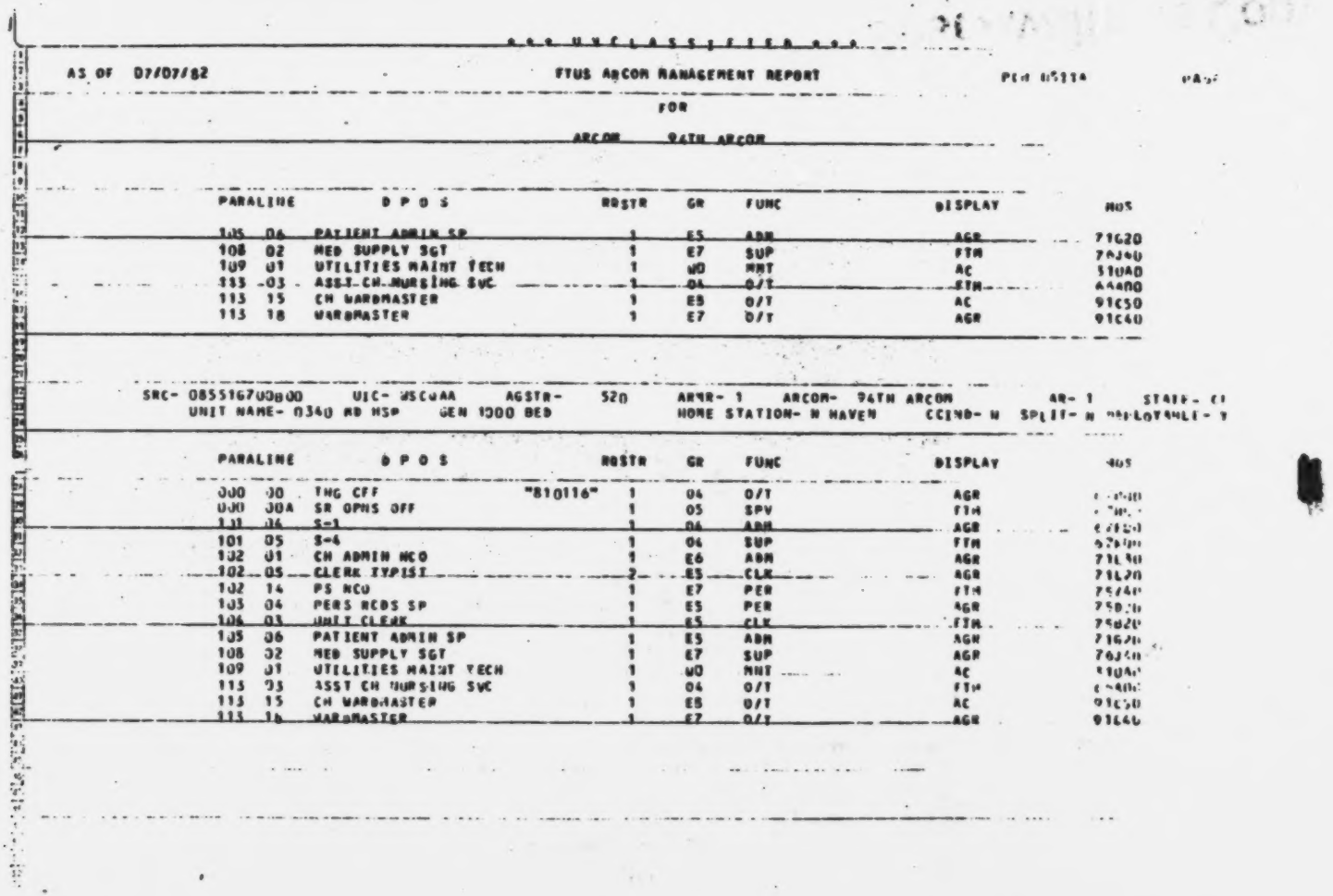

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FOR

ARCOM 94TH ARCOM

PARALINE		DPOS	ROSTR	GR	FUNC	DISPLAY	MOS
105	06	PATIENT ADMIN SP	1	E5	ADM	AGR	71620
108	02	MED SUPPLY SGT	1	E7	SUP	FTM	76J40
109	01	UTILITIES MAINT TECH	1	WO	MNT	AC	51UAD
113	03	ASST CH NURSING SVC	1	04	O/T	FTM	66A00
113	15	CH WARDMASTER	1	E8	O/T	AC	91C50
113	16	WARDMASTER	1	E7	O/T	AGR	91C40

SRC- 085516700800 UIC- WSCWAA AGSTR- 520 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- CT
UNIT NAME- 0340 MD HSP GEN 1000 BED HOME STATION- N HAVEN CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		DPOS	ROSTR	GR	FUNC	DISPLAY	MOS
000	00	THG CFF "810116"	1	04	O/T	AGR	[illegible]
000	00A	SR OPNS OFF	1	05	SPV	FTM	[illegible]
101	06	S-1	1	04	ADM	AGR	[illegible]
101	05	S-4	1	04	SUP	FTM	[illegible]
102	01	CH ADMIN NCO	1	E6	ADM	AGR	71L30
102	05	CLERK TYPIST	2	03	CLK	AGR	71L20
102	14	PS NCO	1	E7	PER	FTM	75J40
103	04	PERS NCOS SP	1	E5	PER	AGR	75B20
104	03	UNIT CLERK	1	E5	CLK	FTM	75B20
105	06	PATIENT ADMIN SP	1	E5	ADM	AGR	71620
108	02	MED SUPPLY SGT	1	E7	SUP	AGR	76J40
109	01	UTILITIES MAINT TECH	1	WO	MNT	AC	51UAD
113	03	ASST CH NURSING SVC	1	04	O/T	FTM	[illegible]
113	15	CH WARDMASTER	1	E8	O/T	AC	91C50
113	16	WARDMASTER	1	E7	O/T	AGR	91C40

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FOR

ARCOM 94TH ARCOM

SRC- 08551A70JB30 UIC- WSCTAA AGSTR- 520 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- RI
UNIT NAME- 0455 ED HSP GEN 1300 BED HOME STATION- PROVIDENCE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		POS		RDSTR	GR	FUNC	DISPLAY	MOS
000	J0	TNG OFF	"810116"	1	04	O/T	AGR	[illegible]
000	00A	SR OPNS OFF		1	05	SPV	FTM	[illegible]
101	04	S-1		1	04	ADM	AGR	[illegible]
101	J5	S-4		1	04	SUP	FTM	[illegible]
102	01	CH ADMIN NCO		1	E6	ADM	AGR	71L30
102	U5	CLERK TYPIST		2	E5	CLK	AGR	71L20
102	14	PS NCO		1	E7	PER	FTM	75A50
103	04	PERS RCDS SP		1	E5	PER	AGR	75B20
104	03	UNIT CLERK		1	E5	CLK	FTM	75B20
105	06	PATIENT ADMIN SP		1	E5	ADM	AGR	71H20
108	J2	MED SUPPLY SGT		1	E7	SUP	FTM	74J60
109	01	UTILITIES MAINT TECH		1	WO	MNT	AC	53DA0
113	J34	ASST CH NURSING SVC		1	04	O/T	FTM	66A00
113	15	CH WARDMASTER		1	E8	O/T	AC	91C50
115	18	WARDMASTER		1	E7	O/T	AGR	91C40

DISPLAY TOTALS FOR SRC- 08551G

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	RP	PA	FH	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	4	0	4	4	0	5	3	0	0	0	0	20
AC	0	0	0	4	4	0	0	0	0	0	0	8
AGR	0	12	4	8	0	3	9	0	0	0	0	36
TOTAL	4	12	8	16	4	8	12	0	0	0	0	64

FUNCTION TOTAL BY SRC- 08551G

ADL	4	12	8	16	4	8	12	0	0	0	0	64

*PREPARED BY [illegible] DESIGNED BY [illegible]

* * * U N C L A S S I F I E D * * *

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FOR

ARCOM 94TH ARCOM

SRC- 085656703000 UIC- WSC64A ASSTR- 171 ARMR- 1 ARCOM- 94TH ARCOM AU- 1 STATE- CT
UNIT NAME- 0219 FD HSP STA 300 BED HOME STATION- W HARTFRD CCMD- N SPEC- N DEPLOYABLE- Y

PARALINE		- B P O S -	ASSTR	GR	FUNC	DISPLAY	NOS
000	00	TNG OFF "820116"	1	03	O/T	AGR	[illegible]
000	00A	SR OPNS OFF	1	05	SPV	AGR	[illegible]
101	04	ADJUTANT	1	03	ADM	AGR	[illegible]
102	05	UNIT CLERK	1	E5	CLK	AGR	[illegible]
103	03	CLERK TYPIST	1	E5	CLK	AGR	[illegible]
105	09	PS NCO	1	E7	ADM	AGR	[illegible]
107	02	UTILITIES MAINT TECH	1	WO	MNT	AGR	[illegible]
117	03	MEDICAL SUPPLY SGT	1	E7	SUP	AC	[illegible]
110	04	HEAD NURSE	1	05	O/T	AGR	[illegible]
110	11	CH WARDMASTER	1	E7	O/T	AF	[illegible]

DISPLAY TOTALS FOR SRC- 085656

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0
ETH	0	0	0	0	0	0	0	0	0	0	0
AC	0	0	0	1	0	1	0	0	0	0	2
AGR	1	2	0	2	1	0	2	0	0	0	8
TOTAL	1	2	0	3	1	1	2	0	0	0	10

FUNCTION TOTAL BY SRC- 085656

ROL	1	2	0	3	1	1	2	0	0	0	0	10

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FOR

ARCOM BATH ARCOM

SRC- 08620H UIC- WD22AA AGSTR- 48 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STAFF- PA
UNIT NAME- 0333 RD DET PSYCHIATRIC HOME STATION- BOSTON CCIND- N SPLIT- N DEPLOYA[illegible]

PARALINE	-D P O S-		ROSTR	GR	FUNC	DISPLAY	MOS
JHD	00	ADMIN NCO "790216"	1	E5	ADM	AGR	71L50
1J1	03	FIELD MEDICAL ASSISTANT	1	03	O/I	AGR	67MHD

DISPLAY TOTALS FOR SRC- 08620H

	SPV	ADR	PER	O/I	MNT	SUP	CLK	RET	RN	PA	FN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	0	0	0	0	0	0	0	0	0	0	0	0
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	1	0	1	0	0	0	0	0	0	0	2
TOTAL	0	1	0	1	0	0	0	0	0	0	0	2

FUNCTION TOTAL BY SRC- 08620H

ROL	0	1	0	1	0	0	0	0	0	0	0	2

PREPARED BY HEADQUARTERS [illegible] RESERVE FORCES COMMAND

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FOR

ARCOM 94TH ARCOM

SRC- U867JH8HA100 UIC- WD26AA AGSTR- 55 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0455 MD DET DENTAL SERVICE HOME STATION- BEDFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	UPOS	ROSTR	GR	FUNC	DISPLAY	MOS
030 00	ADMIN NCO "810516"	1	E6	ADM	AGR	71L30
101 07	ASST DENTAL NCO	1	E7	O/I	AGR	91E40
101 19	MED SUPPLY SP	1	E6	SUP	AGR	76J30

SRC- 0867JH8HA100 UIC- WSE2AA AGSTR- 55 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0287 MD DET DENTAL SERVICE HOME STATION- W HARTFRD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	UPOS	ROSTR	GR	FUNC	DISPLAY	MOS
030 00	ADMIN NCO "810516"	1	E6	ADM	AGR	71L30
101 07	ASST DENTAL NCO	1	E7	O/I	AGR	91E40
101 19	MED SUPPLY SP	1	E6	SUP	AGR	76J30

SRC- 0867UH8HA100 UIC- WSFBAA AGSTR- 55 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0358 MD DET DENTAL SERVICE HOME STATION- BEDFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	UPOS	ROSTR	GR	FUNC	DISPLAY	MOS
030 00	ADMIN NCO "810516"	1	E6	ADM	AGR	71L30
101 07	ASST DENTAL NCO	1	E7	O/I	AGR	91E40
101 19	MED SUPPLY SP	1	E6	SUP	AGR	76J30

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FOR

ARCOM 94TH ARCOM

SRC- 086506300200 UIC- WSAWAA AGSTR 114 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0325 MP LAU HOME STATION- HEREFORD CCIND- M SPLIT- N DEPLOYABLE- Y

PARALINE		D-P O.S	REQTR	GR	FUNC	DISPLAY	MOS
101	00	ADMIN NCO	"790216" 1	E6	ADM	AGR	73130
101	03	ADMIN OFF	1	03	O/T	AGR	67800
101	19	MED SUPPLY SGT	1	E6	SUP	AGR	74330

DISPLAY TOTALS FOR SRC- 086506

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	MP	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
ENL	0	0	0	0	0	0	0	0	0	0	0	0	
AC	0	0	0	0	0	0	0	0	0	0	0	0	
AGR	0	1	0	1	0	1	0	0	0	0	0	3	
TOTAL	0	1	0	1	0	1	0	0	0	0	0		3

FUNCTION TOTAL BY SRC- 086506

ROL	0	1	0	1	0	1	0	0	0	0	0		3

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FOR

ARCOM 94TH ARCOM

SRC- 0867JN8HA100 UIC- WQ26AA AGGTR- 55 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0455 MD DET DENTAL SERVICE HOME STATION- BEDFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPOS		ROSTR	GR	FUNC	DISPLAY	SSN
030	00	ADMIN NCO	"810516"	1	E6	ADM	AGR	219-56
101	07	ASST DENTAL NCO		1	E7	O/T	AGR	91E40
101	19	MED SUPPLY SP		1	E6	SUP	AGR	76J30

SRC- 0867JN8HA100 UIC- WSE2AA AGGTR- 55 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- CT
UNIT NAME- 0287 MD DET DENTAL SERVICE HOME STATION- HARTFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPOS		ROSTR	GR	FUNC	DISPLAY	SSN
030	00	ADMIN NCO	"810516"	1	E6	ADM	AGR	219-56
101	07	ASST DENTAL NCO		1	E7	O/T	AGR	91E40
101	19	MED SUPPLY SP		1	E6	SUP	AGR	76J30

SRC- 0867QN8HA100 UIC- WSFHAA AGGTR- 55 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0358 MD DET DENTAL SERVICE HOME STATION- BEDFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPOS		ROSTR	GR	FUNC	DISPLAY	SSN
030	00	ADMIN NCO	"810516"	1	E6	ADM	AGR	219-56
101	07	ASST DENTAL NCO		1	E7	O/T	AGR	91E40
101	19	MED SUPPLY SP		1	E6	SUP	AGR	76J30

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FOR

ARCOM 94TH ARCOM

SRC- 086506U0J200 UIC- WAAMAA AGSTR- 114 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0321 RD LAU HOME STATION- BEDFORD CCIND- M SPLIT- M DEPLOYABLE- Y

PARALINE		B.P.O.S		ASSTR	GR	FUNC	DISPLAY	MOS
101	00	ADMIN NCO	"790216"	1	E6	ADM	AGR	71L30
101	02	ADMIN OFF		1	03	O/T	AGR	67B00
101	19	RED SUPPLY SGT		1	E6	SUP	AGR	76J30

DISPLAY TOTALS FOR SRC- 086506

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	MP	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
ETM	0	0	0	0	0	0	0	0	0	0	0	0
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	1	0	1	0	1	0	0	0	0	0	3
TOTAL	0	1	0	1	0	1	0	0	0	0	0	3

FUNCTION TOTAL BY SRC- 086506

ROL	0	1	0	1	0	1	0	0	0	0	0	3

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FOR

ARCOM 04TH ARCOM

DISPLAY TOTALS FOR SRC- 08670H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	SET	OA	PA	FN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTH	0	0	0	0	0	0	0	0	0	0	0	0
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	3	0	3	0	3	0	0	0	3	3	9
TOTAL	0	3	0	3	0	3	0	0	0	3	0	

FUNCTION TOTAL BY SRC- 08670H

ROL	0	3	0	3	0	3	0	0	0	0	0	

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FOR

ARCOM 94TH ARCOM

SRC- 12067H550100 UIC- WA2UAA AGSTR- 219 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0114 AG CO PERS SVC TY E HOME STATION- BROCKTON CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		B P O S	ROSTR	GR	FUNC	DISPLAY	MOS
102	04	SUPPLY SGT "820716"	1	E6	SUP	FTM	76Y30
102	07	UNIT CLERK	1	E5	CLK	AGR	75B20
103	01	CH ADMIN NCO	1	E8	ADM	AGR	71L50
103	02	ADMIN SUPV	1	E6	ADM	AGR	71L30
104	04	RCDS UNIT SUPV	1	E7	O/T	FTM	75Y40
104	09	PERS RCDS SP	1	E5	O/T	AGR	75B20
107	02	ADP TECH	1	WO	O/T	AGR	74140

DISPLAY TOTALS FOR SRC- 12067H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	RQ	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTM	0	0	0	1	0	1	0	0	0	0	0	2	
AC	0	0	0	0	0	0	0	0	0	0	0	0	
AGR	1	2	0	2	0	0	1	0	0	0	0	5	
TOTAL	1	2	0	3	0	1	1	0	0	0	0		7

FUNCTION TOTAL BY SRC- 12067H

ROL	1	2	0	3	0	1	1	0	0	0	0		7

PREPARED BY FORCES MIS DESIGN FORCES COMMAND

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FOR 94th

ARCOM ~~76TH~~ DIV

SRC- 30034H2J01CO UIC- WJHAA AGSTR- 150 ARNR- 1 ARCOM- 76TH DIV AW- I STAFF- N
UNIT NAME- 0364 MI CO TECH INTEL HOME STATION- BEDFORD CCIND- N SPEC- N AVAILABLE- Y

PARALINE		DPOS		RSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"800916"	1	E7	ADM	AGR	71L40
101	04	SUPPLY SGT		1	E6	SUP	AGR	76Y30
~~101~~	~~05~~	~~MOTOR SGT~~		~~1~~	~~E6~~	~~MNT~~	~~AGR~~	~~63B30~~
101	07	UNIT CLERK		1	E5	CLK	AGR	75B20
102	01	SUPPORT PLATOON LDR		1	03	O/T	AGR	35D00

DISPLAY TOTALS FOR SRC- 30034H

	SPV	ADV	PER	O/T	MNT	SUP	CLK	RET	RS	PA	FN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	0	0	0	0	0	0	0	0	0	0	0	0
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	1	0	1	1	1	1	0	0	0	0	5
TOTAL	0	1	0	1	1	1	1	0	0	0	0	5

FUNCTION TOTAL BY SRC- 30034H

ROL	0	1	0	1	1	1	1	0	0	0	0	5

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FOR

ARCOM 94TH ARCOM

SRC- 173U7H7J023D UIC- WKGPAA AGSTR- 163 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 000S AR TRP TRP D CAV NONE STATION- FT DEVENS CCIR- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P O S	ASGTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO	"810516"	1	E7	ADM	AGR	71L40
100	02	EXECUTIVE OFF		1	02	O/T	FTR	12C00
101	06	SUPPLY SGT		1	E6	SUP	FTR	76Y30
101	08	UNIT CLERK		1	E5	CLR	AGR	75B20
102	01	MOTOR SGT		1	E7	MNT	AGR	63N40
102	03	TRACK VEHICLE MECH		1	E5	MNT	AGR	63N20
106	02	PLATOON SGT		1	E7	O/T	FTR	19D40

DISPLAY TOTALS FOR SRC- 173U7H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	RM	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTR	0	0	0	2	0	1	0	0	0	0	0	3	
AC	0	0	0	0	0	0	0	0	0	0	0	0	
AGR	0	1	0	0	2	0	1	0	0	0	0	4	
TOTAL	0	1	0	2	2	1	1	0	0	0	0		7

FUNCTION TOTAL BY SRC- 173U7H

ROL	0	1	0	2	2	1	1	0	0	0	0		7

PREPARED BY WWCCS DIV: HQDA/DCSOPS: FORCES COMMAND

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* * * U N C L A S S I F I E D * * *

AS OF 07/07/82 FTUS ARCOM MANAGEMENT REPORT PCN U511A PAGE 004

FOR

ARCOM 94TH ARCOM

SRC- 19520HZ99100 UIC- WQSHAA AGGTR- 14 ARMR- 1 ARCOM- 94TH ARCOM AG- 1 STATE- MA
UNIT NAME- 0166 FP DET CRIM INVEST HOME STATION- BOSTON CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		D P.O S	ROSTR	GR	FUNC	DISPLAY	MOS
101	02	CRIMINAL INVESTIGATOR	1	WJ	O/T	AGR	95140
101	04	SR ASST CRIM INVEST "79111A"	1	E7	ADM	AGR	95140

DISPLAY TOTALS FOR SRC- 19520H

	SPJ	ADP	PER	O/T	MNT	SUP	CLK	AET	AM	PA	FN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	0	0	0	0	0	0	0	0	0	0	0	0
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	1	0	1	0	0	0	0	0	0	0	2
TOTAL	0	1	0	1	0	0	0	0	0	0	0	2

FUNCTION TOTAL BY SRC- 19520H

ROC	1	1	0	1	0	0	0	0	0	0	0	2

PREPARED IN HQ AFCES DIV, HQ AIR FORCES COMMAND

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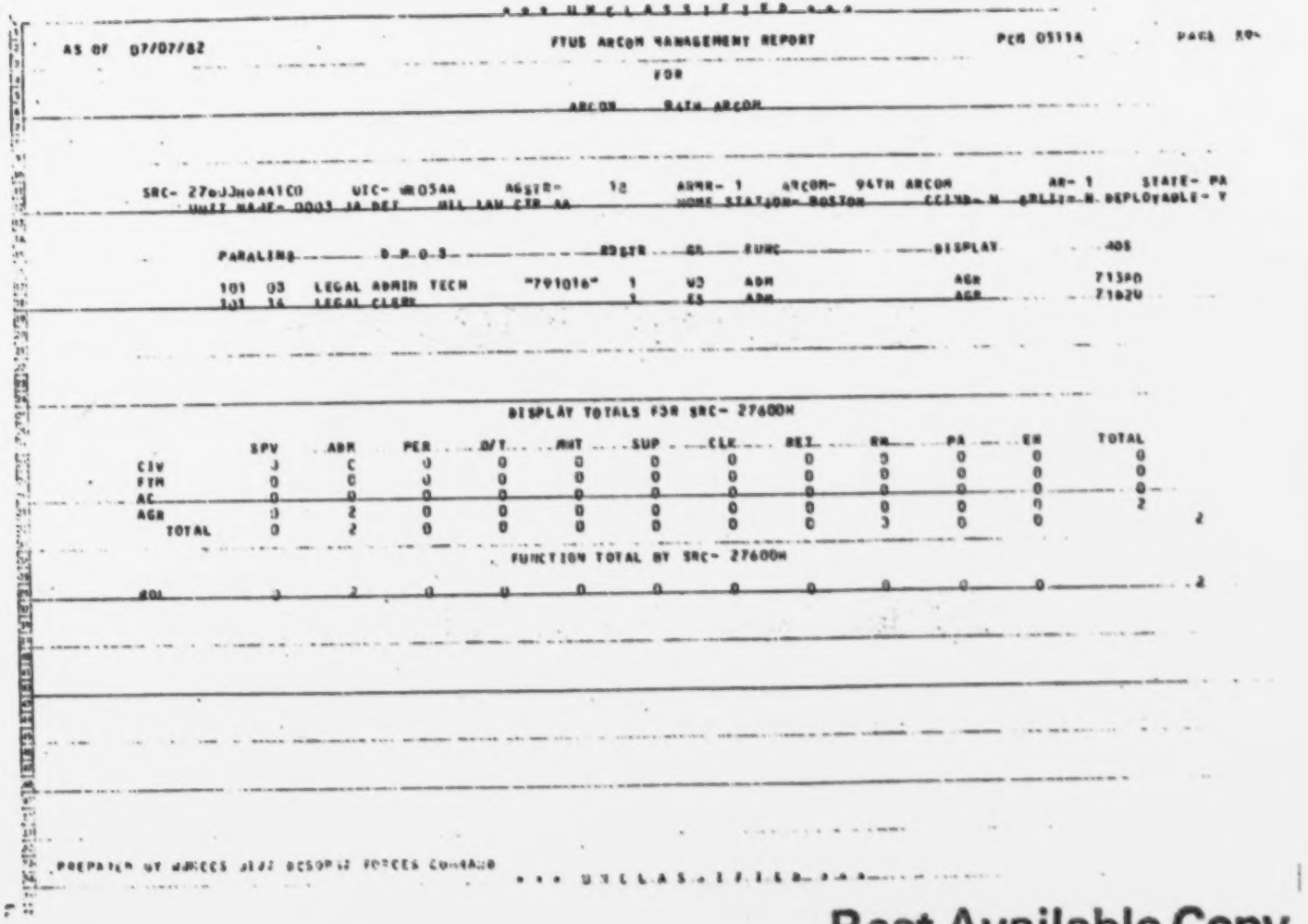

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FOR

ARCOM 94TH ARCOM

SRC- 27600JHQA41CO UIC- WR05AA AGSTR- 12 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- PA
UNIT NAME- 0003 JA DET HIL LAW CTR AA HOME STATION- BOSTON CCIND- N CRIT- N DEPLOYABLE- Y

PARALINE	D.P.O.S			ASGTR	GR	SUBC	DISPLAY	ADS
101 03	LEGAL ADMIN TECH	"791016"	1	W3	ADM	AGR	71300
101 16	LEGAL CLERK		1	E5	ADM	AGR	71620

DISPLAY TOTALS FOR SRC- 27600H

	SPV	ADR	PER	O/T	MNT	SUP	CLK	REI	RM	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTM	0	0	0	0	0	0	0	0	0	0	0	0	
AC	0	0	0	0	0	0	0	0	0	0	0	0	
AGR	0	2	0	0	0	0	0	0	0	0	0	2	
TOTAL	0	2	0	0	0	0	0	0	0	0	0		2

FUNCTION TOTAL BY SRC- 27600H

ADS	0	2	0	0	0	0	0	0	0	0	0		2

PREPARED BY HQ MACOM 0003 JA DET HIL LAW CTR AA

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FOR

ARCOM 94TH ARCOM

SRC- 29077H00J2CO UIC- WRGWCO AGSTR- 0 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0137 CS DM CO C HOME STATION- WINGHAM CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		-B P O S-	ROSTR	GR	-FUNC-	-DISPLAY	MOS
401	03	MAINT SUPV "830416"	1	E7	MNT	AGR	[illegible]
401	05	SUPPLY SGT	1	E6	SUP	FTM	[illegible]
401	07	PAC CLERK	1	E5	CLK	AGR	[illegible]
432	01	SUPPLY PLATOON LDR	1	02	O/T	FTM	[illegible]
432	02	PLATOON SGT	1	E7	ADM	FTM	[illegible]

DISPLAY TOTALS FOR SRC- 29077H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	AV	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	0	1	0	1	0	1	0	0	0	0	0	3
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	0	0	0	1	0	1	0	0	0	0	2
TOTAL	0	1	0	1	1	1	1	0	0	0	0	5

FUNCTION TOTAL BY SRC- 29077H

ROL	0	1	0	1	1	1	1	0	0	0	0	5

PREPARED BY HQMCCS DIV; DCSOPS; FORCES CUSTAND

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AS OF 07/07/82 FTUS ARCON MANAGEMENT REPORT PCN 0511A PAGE 1

FOR

ARCON 94TH ARCON

SRC- 29099HJ00200 UIC- WAGN00 AGSTR- 0 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0187 CS HQ CO B HOME STATION- HINGHAM CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		P.O.S		REGTR	GR	FUNC	DISPLAY	MOS
501	36	SUPPLY SGT	"830416"	1	E6	SUP	FTM	76Y30
531	08	PAC CLERK		1	E5	CLK	AGR	75B20
502	01	MAINT CONTROL OFF		1	02	OFF	FTM	91B00
532	02	MAINT CONTROL SGT		1	E7	ADM	FTM	63H40
534	01	AUTO MAINT TECH		1	WO	MNT	AGR	630AV

DISPLAY TOTALS FOR SRC- 29099H

	SPV	ADP	PER	OIT	MNT	SUP	CLK	REC	RM	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	0	1	0	1	0	1	0	0	0	0	0	3
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	0	0	0	1	0	1	0	0	0	0	2
TOTAL	0	1	0	1	1	1	1	0	0	0	0	

FUNCTION TOTAL BY SRC- 29099H

ROL	0	1	0	1	1	1	1	0	0	0	0	5

PREPARED BY AIR FORCE MILITARY PERSONNEL CENTER, RANDOLPH AIR FORCE BASE, TEXAS 78150 HEADQUARTERS AIR FORCE MILITARY PERSONNEL CENTER AIR FORCE LOGISTICS COMMAND

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FOR

ARCOM 94TH ARCOM

SRC- 29102H200100 UIC- WYAEAA AGSTR- 34 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- NH
UNIT NAME- 0142 CE HHC GRP SPT CORPS HOME STATION- MANCHESTR CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS		REQTR	GR	FUNC	DISPLAY	MOS
101	U2	EXECUTIVE OFF "820716"	1	05	SPV	AGR	71A92
101	U2	S-2/S-3	1	04	O/T	FTM	92A65
102	04	SUPPLY SGT	1	E6	SUP	AGR	76Y30
102	U7	UNIT CLERK	1	E5	CLK	AGR	71B20
103	01	AG NCO	1	E7	ADM	AGR	71L40
103	U5	CLERK TYPIST	1	E5	CLK	AGR	71L20
105	U3	SUPPLY OFF	1	03	SUP	FTM	92A00
106	U2	MAINT OFF	1	03	MNT	AGR	71A00
107	04	OPNS/TNG SGT	1	E8	O/T	AGR	76Z50
107	U5	NBC OPNS/STAFF NCO	1	E6	O/T	AC	54E10

DISPLAY TOTALS FOR SRC= 29102H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	RN	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTM	0	0	0	1	0	1	0	0	0	0	0	2	
AC	0	0	0	1	0	0	0	0	0	0	0	1	
AGR	1	1	0	1	1	1	2	0	0	0	0	7	
TOTAL	1	1	0	3	1	2	2	0	0	0	0		10

FUNCTION TOTAL BY SRC- 29102H

ROL	1	1	0	3	1	2	2	0	0	0	0	10

PREPARED BY SERVICES DIV, DCSPERS, FORCES COMMAND

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AS OF 07/07/82 FTUS ARCOM MANAGEMENT REPORT PCN 0511A PAGE 899

FOR

ARCOM 94TH ARCOM

SRC- 29119N52J000 UIC- WU2YAA AGSTR- 205 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- U105 Cg CO REP PARTS GS HOME STATION- ROSLINDALE CCIUD- N SPLIT- N DEPLOYABLE- Y

PARALINE		DROP	AGSTR	GR	SUNC	DISPLAY	MOS
000	00A	ADMIN NCO "820916"	1	E7	ADM	AGR	71L40
000	00A	ADMIN NCO	1	E6	ADM	AGR	71L30
101	04	MAINT/RECOVERY SUPV	1	E6	MNT	FTH	63W30
101	05	SUPPLY SGT	1	E6	SUP	FTH	74Y30
101	08	PWR GEN/VHCL MECH	1	E5	MNT	AGR	63W20
101	09	UNIT CLERK	1	E5	CLK	FTH	75B20
102	01	SUPPLY OPNS OFF	1	02	O/T	FTH	92A00
103	02	GEN EQUIP PARTS PLATOON SGT	1	E7	O/T	AGR	76Y40
104	01	MAT'L STORAGE/HDLG SUPV	1	E7	SUP	AC	76Y40

DISPLAY TOTALS FOR SRC- 29119N

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	RQ	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTH	1	0	0	1	1	1	1	0	0	0	0	4
AC	0	0	0	0	0	1	0	0	0	0	0	1
AGR	0	2	0	1	1	0	0	0	0	0	0	4
TOTAL	1	2	0	2	2	2	1	0	0	0	0	9

FUNCTION TOTAL BY SRC- 29119N

ROL	0	2	0	2	2	2	1	0	0	0	0	9

PREPARED BY MARCES DIST HEADQUARTERS FORCES COMMAND

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FOR

ARCOM 94TH ARCOM

SRC- 29135H000200 UIC- WRGWAA AGSTR- 655 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0137 CS HH HDE SPT HOME STATION- HINGHAM CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPOS		ROSTR	GR	FUNC	DISPLAY	ADS
631	03	EXECUTIVE OFF "830416"	1	04	SPV	FTM	[illegible]
631	36	C-E STAFF OFF	1	03	O/I	FTM	[illegible]
631	08	S-4	1	03	SUP	AGR	[illegible]
601	10	CLERK TYPIST	1	E5	CLK	AGR	[illegible]
602	01	PAC SUPV	1	E7	ADM	AGR	[illegible]
602	02	PS NCO	1	E5	PER	AGR	[illegible]
602	07	PAC CLERK	1	E5	CLK	AGR	[illegible]
603	02	OPNS SGT	1	E8	O/I	AGR	[illegible]
604	03	SUPPLY SGT	1	E7	SUP	FTM	[illegible]
604	04	SUPPLY/ACCT NCO	1	E5	SUP	AGR	[illegible]
607	02	CH SUPPLY NCO	1	E7	SUP	AGR	[illegible]
610	01	JDE PROPERTY BOOK OFF	1	03	SUP	FTM	[illegible]
611	03	SUPPLY MGMT TECH	1	WO	SUP	AGR	[illegible]
611	06	DOCUMENT CONTROL/EDIT NCO	1	E6	SUP	AGR	[illegible]
617	01	DATA PROCESSING TECH	1	WO	RM	AGR	[illegible]
617	03	DATA PROCESSING SYSTEMS SUPV	1	E7	RM	AGR	[illegible]
617	05	PROGRAMMER/ANALYST	1	E6	RM	AGR	[illegible]
617	08	ADPE MACHINE OPERATOR	1	E5	RM	AGR	[illegible]

SRC- 29135H000200 UIC- WRGWAD AGSTR- 139 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0187 CS HH CO A ADMIN HOME STATION- FT DEVENS CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPOS		ROSTR	GR	FUNC	DISPLAY	ADS
231	04	SUPPLY SGT "830416"	1	E6	SUP	FTM	[illegible]
210	32	PAY DIVISION CHIEF	1	E7	ADM	AGR	[illegible]
215	31	ADMIN SERVICES OFF	1	02	O/I	FTM	[illegible]
213	32	ADMIN SUPV	1	E7	ADM	FTM	[illegible]
215	04	CLERK TYPIST	1	E5	CLK	AGR	[illegible]

PREPARED BY HQ ICCS 0187 DCSOPS FORCES COMMAND

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FOR

ARCOM 94TH ARCOM

SRC- 29135HUUU200 UIC- WNGWHQ AGSTR- 123 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0187 CS BN CO B MEDICAL HOME STATION- LAWRENCE CCFIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	POS			RQSTR	GR	FUNC	DISPLAY	NAME
501	32	EXECUTIVE OFF	"830416"	1	03	O/T	FTH	[illegible]
501	06	MED SUPPLY SGT		1	E6	SUP	AGR	[illegible]
501	08	SUPPLY SGT		1	E6	SUP	FTH	[illegible]
501	11	UNIT CLERK		1	E5	CLK	AGR	[illegible]
304	37	WARDMASTER		1	E7	O/T	FTH	[illegible]

DISPLAY TOTALS FOR SRC- 29135H

	SPV	ARP	PER	O/T	MNT	SUP	CLK	RET	RN	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTH	1	1	0	4	0	4	0	0	0	0	0	10	
AC	0	0	0	0	0	1	0	0	0	0	0	1	
AGR	0	2	1	1	0	5	4	0	4	0	0	17	
TOTAL	1	3	1	5	0	10	4	0	4	0	0		28

FUNCTION TOTAL BY SRC- 29135H

ROL	1	3	1	5	0	10	4	0	4	0	0		28

PREPARED BY AIRCES 0127 DCSJPSI FORCES COMMAND

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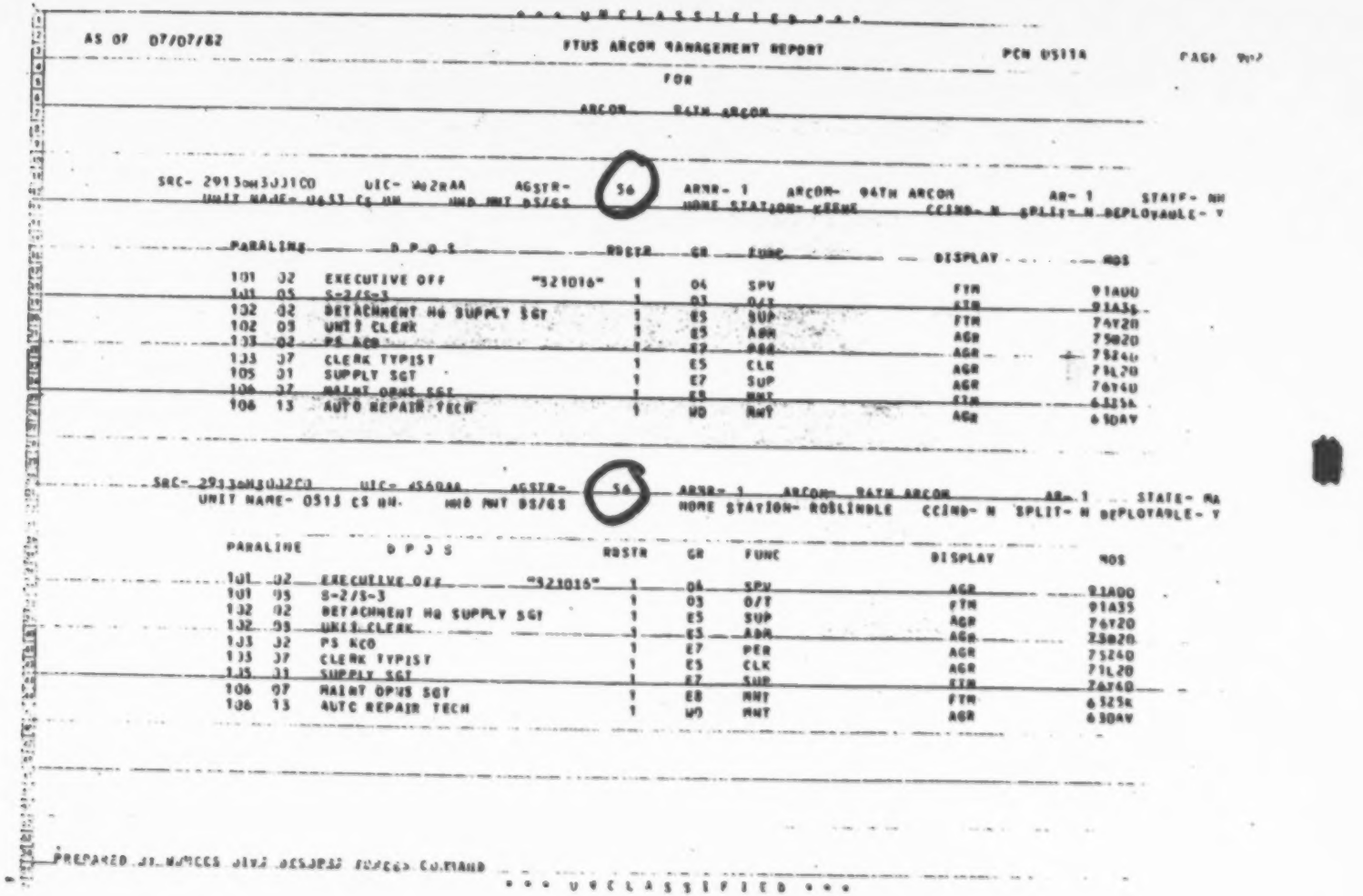

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FOR

ARCOM 94TH ARCOM

SRC- 2913AM3J31CO UIC- WA2RAA AGSTR- 56 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- NH
UNIT NAME- U631 CS HH HHD MNT DS/GS HOME STATION- CERNE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPJS		RQSTR	GR	FUNC	DISPLAY	MOS
101	02	EXECUTIVE OFF "921016"	1	04	SPV	FTN	91AOO
101	05	S-2/S-3	1	03	O/I	FTN	91A35
102	02	DETACHMENT HQ SUPPLY SGT	1	E5	SUP	AGR	76Y20
102	05	UNIT CLERK	1	E5	ADM	AGR	75B20
103	02	PS NCO	1	E7	PER	AGR	75Z40
103	07	CLERK TYPIST	1	E5	CLK	AGR	71L20
105	01	SUPPLY SGT	1	E7	SUP	AGR	76Y40
106	07	MAINT OPNS SGT	1	E8	MNT	FTN	63Z5A
106	13	AUTO REPAIR TECH	1	WO	MNT	AGR	63OAY

SRC- 2913AM3J12CO UIC- WA6QAA AGSTR- 56 ARNR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- 0513 CS HH HHD MNT DS/GS HOME STATION- ROSLINDLE CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	DPJS		RQSTR	GR	FUNC	DISPLAY	MOS
101	02	EXECUTIVE OFF "921016"	1	04	SPV	AGR	91AOO
101	05	S-2/S-3	1	03	O/I	FTN	91A35
102	02	DETACHMENT HQ SUPPLY SGT	1	E5	SUP	AGR	76Y20
102	05	UNIT CLERK	1	E5	ADM	AGR	75B20
103	02	PS NCO	1	E7	PER	AGR	75Z40
103	07	CLERK TYPIST	1	E5	CLK	AGR	71L20
105	01	SUPPLY SGT	1	E7	SUP	FTN	76Y40
106	07	MAINT OPNS SGT	1	E8	MNT	FTN	63Z5A
106	13	AUTO REPAIR TECH	1	WO	MNT	AGR	63OAY

PREPARED BY MILPERCEN ATTN DEPARTMENT RESERVE COMMAND

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FOR

ARCOM 94TH ARCOM

DISPLAY TOTALS FOR SRC- 29136M

	SPV	ADP	PER	O/T	MNT	SUP	CLK	RET	RM	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTH	1	0	1	2	2	2	0	0	0	0	0	7
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	1	2	2	0	2	2	2	0	0	0	0	11
TOTAL	2	2	2	2	4	4	2	0	0	0	0	18

FUNCTION TOTAL BY SRC- 29136M

REL	2	2	2	2	4	4	2	0	0	0	0	18

PREPARED BY HQMCCS /IRS HEADQUARTERS FORCES COMMAND

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FOR

ARCOM 94TH ARCOM

SRC- 29427H400U00 UIC- WTHCAA AGSTR- 183 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- PA
UNIT NAME- U323 CS CO MAINT BT TASCOM HOME STATION- FT DEVENS CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	S P O C	ROSTR	GR	FUNC	DISPLAY	MOS
000 00	ADMIN NCO "820416"	1	E7	ADM	AGR	71L40
000 00A	ADMIN NCO	1	E6	ADM	AGR	71L30
101 04	MOTOR SGT	1	E7	MNT	FTM	63B40
101 05	SUPPLY SGT	1	E6	SUP	AGR	76Y30
101 09	UNIT CLERK	1	E5	CLK	AGR	71B20
102 31	MAINT CONTROL OFF	1	02	O/T	FTM	91D00
102 32	MAINT CONTROL SGT	1	E7	MNT	AGR	63M40
103 32	HEAVY MAINT PLATOON SGT	1	E7	O/T	FTM	63M40

DISPLAY TOTALS FOR SRC- 29427H

	SPV	ADR	PER	O/T	MNT	SUP	CLK	MET	MN	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTM	0	0	0	2	1	0	0	0	0	0	0	3
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	2	0	0	1	1	1	0	0	0	0	5
TOTAL	0	2	0	2	2	1	1	0	0	0	0	8

FUNCTION TOTAL BY SRC- 29427H

ROL	0	2	0	2	2	1	1	0	0	0	0	8

PREPARED BY OFFICE CHIEF OF ARMY RESERVE FORCES COMMAND

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FOR

ARCON 94TH ARCON

SRC- 29550T720100 UIC- WRQWAA AGSTR- 96 ARMR- 1 ARCON- 94TH ARCON AR- 1 STATE- MA
UNIT NAME- 0326 CS U ADP TYPE H HOME STATION- BEDFORD CCIND- H SPLIT- N DEPLOYABLE- Y

PARALINE	POS		ROSTR	GR	FUNC	DISPLAY	MOS
000	00	ADMIN NCO "790216"	1	E7	ADM	AGR	71L40
101	07	SUPPLY SGT	1	E6	SUP	AGR	76Y30
101	16	UNIT CLERK	1	E5	CLK	AGR	75B20
102	01	ADP OPNS TECH	1	W0	O/T	FTR	74A40
102	02	ADP OPNS SGT	1	E8	O/T	FTR	74Z50
102	03	SYSTEM SUPV	1	E7	O/T	AGR	74B40
102	05	CONSOLE OPERATOR	1	E6	O/T	AGR	74B30
102	07	ASST CONSOLE OPERATOR	2	E5	O/T	AGR	74B20
103	03	SR ASST SYSTEMS ANALYST	1	E6	O/T	AGR	74C30
104	02	MAINT CHIEF	1	E8	MNT	AGR	74Z50
104	03	SR ADPS REPAIRMAN	1	E7	MNT	AGR	54B40

DISPLAY TOTALS FOR SRC- 29550T

	SPV	ADM	PER	O/T	MNT	SUP	CLK	REF	RS	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTR	0	0	0	2	0	0	0	0	0	0	0	2
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	1	0	5	2	1	1	0	0	0	0	10
TOTAL	0	1	0	7	2	1	1	0	0	0	0	12

FUNCTION TOTAL BY SRC- 29550T

ROL	0	1	0	7	2	1	1	0	0	0	0	12

PREPARED BY HQMCCS USAF RECORDS FORCES COMMAND

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FOR

ARCOM 94TH ARCOM

SRC- 30014H0001CO UIC- WSH3AA AGSTR- 32 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STAFF- MA
UNIT NAME- 0241 RI DET USE SCP ARMD HOME STATION- REDFORD CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE	GRADE		ASSIGNED	QR	FUNC	DISPLAY	MOS
101	04	UNIT CLERK	"740501"	1	ES ADM	AGR	75B20
102	32	OB TECH		1	UO O/T	AC	96640

DISPLAY TOTALS FOR SRC- 30014H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	REC	RR	PA	EN	TOTAL	
CIV	0	0	0	0	0	0	0	0	0	0	0	0	
FTH	0	0	0	0	0	0	0	0	0	0	0	0	
AC	0	0	0	1	0	0	0	0	0	0	0	1	
AGR	0	1	0	0	0	0	0	0	0	0	0	1	
TOTAL	0	1	0	1	0	0	0	0	0	0	0		2

FUNCTION TOTAL BY SRC- 30014H

ROL	0	1	0	1	0	0	0	0	0	0	0		2

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FOR

ARCOM 94TH ARCOM

SRC- 32064H4JU30J UIC- WTTUAA AGSTR- 129 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- MA
UNIT NAME- OSUS A& CO USE SUPPORT HOME STATION- FT DEVENS CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		POS		ROSTR	GR	FUNC	DISPLAY	MOS
U00	J0	ADMIN NCO	"760601"	1	E7	ADM	AGR	71L40
114	J1	TRAFFIC ANAL TECH		1	W0	O/T	ETH	98ZA0
101	03	UNIT CLERK		1	E5	CLK	AGR	75B20
102	33	SUPPLY SGT		1	E6	SUP	AC	76Y30
104	01	MOTOR SGT		1	E7	MNT	ETH	63B40
104	J3	PWR GEN/WVEH MECH		1	E5	MNT	AGR	63B20
105	31	SR EW/INTCP SYS RPMN		1	E6	MNT	AGR	33S30
117	02	OPNS SGT		1	E7	O/T	AC	05H40
113	01	CH AISE		1	03	O/T	AGR	37F00

DISPLAY TOTALS FOR SRC- 32064H

	SPV	ADM	PER	O/T	MNT	SUP	CLK	RET	RQ	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
ETH	0	0	0	1	1	0	0	0	0	0	0	2
AC	0	0	0	1	0	1	0	0	0	0	0	2
AGR	0	1	0	1	2	0	1	0	0	0	0	5
TOTAL	0	1	0	3	3	1	1	0	0	0	0	9

FUNCTION TOTAL BY SRC- 32064H

ROL	0	1	0	3	3	1	1	0	0	0	0	9

PREPARED BY ARCOM, 94TH READINESS GROUP, FORCES COMMAND

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Mr. DICKS. I think you made a very good statement. I know this is a very controversial area.

I want to make it clear when you mentioned the Chairman, you were talking about Chairman Addabbo.

The gentleman from Alabama.

Mr. EDWARDS. I understand the Senate Authorizing Committee has language in its 1983 report that there are to be no involuntary conversions. Are you familiar with that?

Mr. ESPOSITO. No, I am not, sir.

Mr. EDWARDS. I would suggest you may want to——

Mr. ESPOSITO. Let me say this, Mr. Edwards, if I may: the individuals that I spoke of that are currently in the staff—supervisory staff, administrative assistant positions, have already received in their hands a TWX from the Army telling them their job is abolished 1 October 1982. That kind of flies in the face of what you have just told me.

Mr. EDWARDS. The Senate is just now in conference with the House. What I was going to suggest is, you may want to visit with some of your friends among the House conferees and see if they can't all agree on that language.

That might help solve your problem before we would ever get around to it.

Mr. DICKS. That is very constructive advice.

The gentleman from Virginia?

Mr. ROBINSON. No questions, Mr. Chairman.

TUESDAY, AUGUST 10, 1982.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

WITNESSES

KENNETH T. BLAYLOCK, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

DONALD HAINES, LEGISLATIVE ATTORNEY, AFGE NATIONAL OFFICE

DANIEL J. KEARNEY, AFGE NATIONAL VICE PRESIDENT, FIRST DISTRICT [NEW ENGLAND]

Mr. DICKS. Mr. Kenneth T. Blaylock, distinguished President of the American Federation of Government Employees.

Mr. BLAYLOCK. Thank you, Mr. Chairman.

Mr. DICKS. Your entire statement will be made part of the record.

STATEMENT OF MR. BLAYLOCK

Mr. BLAYLOCK. Thank you very much, Congressman Dicks.

I have with me the National Vice President, Daniel Kearney, from up in the New England States, and also Legislative Analyst Don Haines.

I will summarize my statement, Congressman, and reaffirm some of the points made by Mr. Esposito.

This is about the third or fourth time we have appeared before this committee on this issue. When the test program was proposed in consultation with our technician members throughout the country, we developed a position paper on the issue and opposed it at that time basically on the two concepts that were being offered; one, that it was going to save money; two, that it was going to improve readiness.

Our people in the trenches throughout the country proved to us at that time that it was not going to save money; two, that it was not going to improve readiness.

In fact, it would detract from readiness capability of the Reserve units.

Today we come back some four years later saying we told you so.

Mr. DICKS. Off the record.

[Discussion off the record.]

Mr. BLAYLOCK. I would like to make several major points in this.

DUAL STATES TECHNICIAN TEST PROGRAM

The dual status technician program has an almost unparalleled record of success in achieving the goals of providing Reserve forces with skilled, experienced personnel who are also mobilization assets in time of need and assets to the community.

You just have to look at the summaries of exercise after exercise to see that in many cases the Reserve components do come out above many of the active units, in fact; and a lot of that is attributed to the fact that they have the dual status technician who is operating day to day everything from his—as John pointed out—administrative work to keeping the equipment in a good state of repair so it is usable.

A lot of these people, that is what they do. They perform the day to day essential unit functions and participate in the weekend training drills. Under their dual status, they would deploy with their units in an active duty military status upon mobilization.

In 1978, as I mentioned, the test program was approved. That is referenced in House Report 94-1398, and from that then the conversion started.

The results of the test were very obvious and they did not achieve either goal as was implied to start with; yet that was ignored.

As I recall, one of the sessions we had over here with this committee, we had certain people testify in favor of this proposal, and they spent about two minutes of their time talking about how great it was and the other ninety percent of their time talking about how many problems they were having and how much time they had spent in negotiations with unions representing these civilian technicians.

Very obviously one of their efforts was to remove those people from an area where they had a right of recognition or representation.

AFGE has testified before this committee, subcommittee, in the past on the various ways in which implementation of this program and later the large scale conversion violated the premise and understanding embodied in the committee's recommendation.

We believe changing circumstances and the benefit of experience from the conversion program mandates the committee put a halt to the conversion. In cases where the conversion has taken effect, positions should be returned to dual status positions upon the expiration of the incumbent's current tour of duty.

A principal concern of the committee in recommending the test program was the possibility it might be less expensive to use full-time military technicians.

Years of appalling pay caps on the comparability increase of wage grade workers, however, have left the dual status technician behind his private sector counterpart.

More importantly, perhaps, full-time military personnel, during the same period, have received much larger pay increases, so that the test program was based on a premise, continuing wage grade pay increases vis-a-vis lower military personnel costs, that has proven incorrect.

Mr. DICKS. Let me ask you this question:

Mr. Esposito mentioned a number of 3 to 1 or 6 to 1 as a replacement ratio. I would think both of you, if we can document that—that is probably in your statement, I assume—but that ought to have some impact on the members.

I would like to have you address that if you haven't already done so.

Give us the information on that, because that should have an impact both on the conferees now meeting and on this committee.

Mr. BLAYLOCK. I am not sure whether in the back-up of our testimony we have submitted that to you. If we have not, we will.

Mr. DICKS. That would be useful. I think we need a special effort summary of that.

COST OF USING FULL-TIME MILITARY PERSONNEL

Mr. BLAYLOCK. Using military personnel to replace dual status civilians obviously involves higher costs in addition to the direct salary level.

Military personnel have a retirement system which the Government pays the full cost, whereas the dual status technician contributes to his retirement fund.

Moreover, military personnel may qualify for retirement after 20 years, whereas the dual status technician must work for at least 30 years and reach age 55. This difference alone means that the Government will be paying higher retirement costs many years after the military personnel have left their post in the Reserves.

This is a significant hidden cost to the process of replacing dual status technicians with full-time military.

In addition, the military receive commissary, quarters and variable housing allowances, and other compensation.

In its earlier testimony on this issue, AFGE has provided the subcommittee with numerous examples, from which we may generalize, of much higher personnel costs resulting from conversion to full-time military.

A recent cost comparison survey, prepared by AFGE Local 1778 at McGuire Air Force Base, New Jersey, indicated that to convert the Air Reserve technician program for the 514th military airlift wing would result in a net annual cost, including indirect compensation for the military technician, of over $1.8 million in excess of that paid to the civilian technician.

In addition, the survey indicated that conversion would cost the federal government over a half million dollars in lost income tax because the military technician is taxed only on base pay.

Since the manning for the 514th Military Airlift Wing is similar to the other six associate wings in the Military Airlift Command, the annual increased personnel expense for the seven wings would be over $12.1 million. And the annual lost revenue to the Federal Treasury in taxes would be over $3.5 million.

I would like to make a comment not in my testimony.

I serve on the subcommittee of the AFL–CIO Executive Council. As you probably know, one of the strongest supporters of defense has been organized labor in this country. We took a posture with the AFL–CIO back the first of the year that because of the austerity we have in the country, because of economic problems, because of the large federal deficit which all of you are tangling with, that the defense budget should be subjected to the same scrutiny as the social domestic budget of this country.

We have been involved in a series of meetings with top level State Department people, Pentagon people, and so on, as we begin to analyze that budget.

One of the areas we should all be concerned with, while we stand for a very strong ready defense is that there is a tremendous amount of money being spent by the Department of Defense that is being spent in a wasteful manner.

There are large savings there. This is just one of the areas.

We think it deserves that kind of scrutiny. When you look at just this one example of the airlift wings, and there are $12 million that we were able to pull out in our simple surveys; and a $12 million savings there, a decrease in readiness, a decrease in tax revenue, it seems to me with all the meetings going on all over the Hill right while we sit here dealing with that issue, this should be a part of it.

At a time when Reserves forces are desperately in need of improved equipment and increased training while budget constraints are cited as the reason why that equipment cannot be provided, paying full-time military personnel more for performing the exact duties of dual status technicians is a waste which harms the overall readiness of the Guard and Reserves.

Even the study prepared by management consultants and research concluded that there will be no cost savings as a result of conversaion to full-time military.

AFGE's own studies, supplied to the subcommittee, reveal that the MCR conclusion is overly optimistic in that conversion will actually result in increased costs because of the factors cited above.

MOBILIZATION READINESS

A second premise embodied in the conversion program was that mobilization readiness would be increased because a number of civilian technicians had, for various reasons, lost their ability to meet mobilization requirements.

This status quo technician problem was always confined primarily to the Army Reserve. Since 1970, all dual status technicians have been required to meet mobilization requirements and the status quo problem, to whatever extent it may have existed, has been remedied by attrition in the last twelve years.

In general, the remaining civilian status quo technicians workforce is far more highly skilled and more of an asset to the units they serve than the AGR technician workforce.

Moreover, our experience demonstrates that the Army Reserve's conversion program has undermined rather than increased mobilization readiness.

In implementing the conversion program, the Department of the Army has, in effect, created a new category of military status quo technicians.

When the Department persuaded Congress to conduct the conversion test program, they argued that the AGR personnel would represent mobilization assets.

On the contrary, in many instances, as shown by the MCR study, most AGR technicians cannot be mobilized with their units.

The study noted:

> In the Army Reserve all full-time military are shown on special manning documents [tables of distribution and allowance or RDAs] not on unit documents to which assigned. Hence upon conversion of dual status technicians, the unit positions

currently held would become vacant and another Reservist would be recruited to fill that slot.

When the vacant positions are filled with Reserve personnel, AGR technicians are no longer mobilization assets. Upon mobilization, most AGR personnel will not, therefore, be listed on their unit's roster or accompany them into a theater of operations.

Instead, they will be reassigned to other duties. Civilian technicians, on the other hand, do accompany their units into a theater of operations upon mobilization.

Remember, these are skilled, trained people that have been there for a long time. They are familiar with the equipment, the men, and the operation and mission of that unit. That is one of the big advantages of having that dual status technician in the program to start with.

In addition to the military status quo problem, the conversion from dual status civilian to full-time military will adversely affect the readiness capability of the Reserve and Guard components in other ways.

Our studies indicate that the average civilian technician in the Guard, for example, has 18 years' experience and was hired as a skilled technician who serves as a trainer to part-time Guardsmen.

Typically, the technician, in either the Guard or the Reserves, is able to work without supervision.

The conversion to full-time military involves a loss of continuity in the unit because of personnel changes every three or four years. This also results in a loss of efficiency because new personnel must be trained every three or four years.

In addition, there is a loss of institutional memory in the unit under the conversion to full-time military. Civilian personnel with experience can perform all duties as assigned to them and are constantly sought by all phases of military personnel for guidance based on their expertise and experience.

On the other hand, the full-time military who are filling converted slots are frequently not as qualified as the dual status technician they replaced or, even as qualified as dual status technicians several levels lower than the position occupied by the full-time military.

This replacement of skilled civilian technicians with unskilled military personnel, who are no lower in age, does nothing to improve readiness capabilities.

The conversion program has also had a severe impact on the dual status civilian technician work force because slots above entry level have been converted thereby denying dual status technicians the promotional opportunities they would have had but for the conversion.

I would like to summarize, Mr. Chairman.

The dual status technicians are a proven, tested part of our defense program. They deserve as much concern as the military and there has been a tremendous amount of emphasis placed on the work situation for the military.

Just going to an old adage, if it is not broke, don't fix it.

In this case, it was fixed and we broke it. We are asking you, Mr. Chairman, members of the subcommittee, to help rectify a stuation that has not achieved the goals they said it would.

[The statement of Mr. Blaylock follows:]

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES
Affiliated with AFL-CIO
1325 Massachusetts Avenue, N.W., Washington, D. C, 20005

STATEMENT

BY

KENNETH T. BLAYLOCK
NATIONAL PRESIDENT
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

BEFORE THE

SUBCOMMITTEE ON DEFENSE
OF THE
HOUSE COMMITTEE ON APPROPRIATIONS

ON

THE MILITARY CONVERSION PROGRAM
FOR CIVILIAN TECHNICIANS
IN THE ARMY AND AIR FORCE RESERVES
AND THE NATIONAL GUARD

August 10, 1982

The American Federation of Government Employees, AFL-CIO is pleased to have this opportunity to appear and testify before the House Defense Appropriations Subcommittee on the subject of the future of the dual-status civilian technician program. Among the more than 700,000 Federal personnel who have selected AFGE as their exclusive representative are hundreds of thousands employed by the Department of Defense.

We have had the pleasure of appearing before this Subcommittee on many occasions in earlier years, and rather then reiterate all

the concerns which AFGE has raised before, I would like to focus on the problems which are being created by the actions of the Department of Defense in jeopardizing the dual-status technician program for the National Guard and the Reserves.

Led by its distinguished Chairman, this Subcommittee has an excellent record of concern and focused attention on the needs and responsibilities of the reserve components of our defense establishment. We hope that this concern will now lead the Subcommittee to call an end to the conversion of dual-status technicians to full-time military personnel. I think it would be helpful if we briefly review the background and the conversion program.

The dual-status technician program has an almost unparalleled record of success in achieving the goals of providing the reserve forces with skilled, experienced personnel who are also mobilization assets in time of need and assets to their communities year-round. Dual-status technicians serve concurrently as full-time civilian and military members of their units. They perform day-to-day essential unit functions as civilians and participate in week-end and annual military training drills as military members. Under their dual status, they would deploy with their units in an active duty military status upon mobilization.

In 1978, the House Appropriations Committee was persuaded to recommend a "test program" for conversion of the dual-status technician to full-time military. (H. Rept. No. 95-1398.) Later, a program of massive conversions was begun which threatened the promotional opportunities and the very jobs of the successful

dual-status technicians and the vital support they provide to the Nation's defense effort.

AFGE has testified before this Subcommittee in the past on the various ways in which implementation of the test program and the later large-scale conversions violated the premises and understandings embodied in the Committee's recommendation. We believe that changing circumstances and the benefit of experience from the conversion program mandate that the Committee put a halt to the conversions and, in cases where the conversions have already taken effect, that the positions be returned to dual-status upon the expiration of the incumbent's current tour of duty.

A principal concern of the Committee in recommending a test program was the possibility that it might be less expensive to use full-time military technicians than dual-status technicians because of the increase of pay for the latter under the wage grade system which provided pay comparability with private sector workers performing the same duties.

Years of appalling pay caps on the comparability increase of wage grade workers, however, have left the dual-status technician far behind his private sector counterpart. More importantly, perhaps, full-time military personnel, during the same period, have received much larger pay increases, so that the test program was based on a premise (continuing wage grade pay increases vis-a-vis lower military personnel costs) that has proven incorrect. Moreover, the actual conversion process has focused on General Schedule (GS)

FOR

ARCON 94TH ARCON

SRC- 4550UH6F410U UIC- WSPSAA AGGTR- 13 ARMR- 1 ARCON- 94TH ARCON AR- 1 STATE- NH
UNIT NAME- U562 PA DET FLD SVC OPN HOME STATION- MANCHESTER CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE B P O S REGTR GR FUNC DISPLAY 405

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DISPLAY TOTALS FOR SRC- 4550UH

	SPV	ADM	PER	OPT	MNT	SUP	CLK	RET	RA	PA	EN	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
FTH	0	0	0	0	0	0	0	0	0	0	0	0
AC	0	0	0	0	0	0	0	0	0	0	0	0
AGR	0	1	0	0	0	0	0	0	0	0	0	1
TOTAL	0	1	0	0	0	0	0	0	0	0	0	1

FUNCTION TOTAL BY SRC- 4550UH

ROL	0	1	0	0	0	0	0	0	0	0	0	1

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AS OF 07/07/82 FTUS ARCOM MANAGEMENT REPORT PCN 0511A PAGE 907

FOR

ARCOM 94TH ARCOM

SRC- 55018H61J200 UIC- WSUGAA AGSTR- 184 ARMR- 1 ARCOM- 94TH ARCOM AR- 1 STATE- NY
UNIT NAME- D619 TC CO 498M TRUCK CARGO NONE STATION- AUBURN CCIND- N SPLIT- N DEPLOYABLE- Y

PARALINE		P.O.S		DSTR	GR	FUNC	DISPLAY	MOS
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101	06	TRUCKMASTER		1	E7	OAT	AGR	64C40
101	07	SUPPLY SGT		1	E6	SUP	PTR	76Y30
101	09	UNIT CLERK		1	E5	CLR	AGR	75B20
102	01	HEAVY EQUIP OPR		1	03	OAT	AGR	95B00
104	01	AUTO MAINT TECH		1	WO	MNT	AGR	63B40
104	02	MOTOR SGT		1	E7	MNT	AGR	63B40
104	16	PWR GEN/HVEH MECH		1	E5	MNT	AGR	63B20

DISPLAY TOTALS FOR SRC- 55018H

	SPV	ADR	PER	O/E	MNT	SUP	CLR	MED	OP	PA	EW	TOTAL
CIV	0	0	0	0	0	0	0	0	0	0	0	0
PTR	0	0	0	0	0	1	0	0	0	0	0	1
AC	1	0	0	0	0	0	0	0	0	0	0	1
AGR	0	1	0	2	3	0	1	0	0	0	0	7
TOTAL	1	1	0	2	3	1	1	0	0	0	0	9

FUNCTION TOTAL BY SRC- 55018H

ROL	1	1	0	2	3	1	1	0	0	0	0	9

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positions rather than wage grade slots. This raises that possibility that the original wage-grade rationale for the conversion program was merely a ruse to convert positions to full-time military performance for other reasons.

Using military personnel to replace dual-status civilians obviously involves higher costs in addition to the direct salary level. Military personnel have a retirement system which the government pays the full cost, whereas the dual status technician contributes to his retirement fund. Moreover, military personnel may qualify for retirement after 20 years, whereas the dual status technician must work for at least 30 years and reach age 55. This difference alone means that the government will be paying higher retirement costs many years after the military personnel have left their post in the reserves. This is a significant "hidden cost" to the process of replacing dual-status technicians with full time military. In addition, the military receive commissary,quarters and variable housing allowances and other compensation.

In its earlier testimony on this issue, AFGE has provided the Subcommittee with numerous examples, from which we may generalize, of much higher personnel costs resulting from conversion to full time military.

A recent Cost Comparison Survey, prepared by AFGE Local 1778 at McGuire Air Force Base, New Jersey, indicated that to convert the Air Reserve Technician Program for the 514th Military Airlift

Wing would result in a net annual cost (including indirect compensation for the military technician) of over $1.8 million in excess of that paid to the civilian technician. In addition, the survey indicated that conversion would cost the Federal government over a half million dollars in lost income tax because the military technician is taxed only on base pay. Since the manning for the 514th Military Airlift Wing is similar to the other six Associate Wings in the Military Airlift Command, the annual increased personnel expense for the seven wings would be over $12.1 million dollars. And the annual lost revenue to the Federal treasury in taxes would be over $3.5 million.

At a time when the reserve forces are desperately in need of improved equipment and increased training while budget constraints are cited as the reason why that equipment cannot be provided, paying full-time military personnel more for performing the exact duties of dual status technicians is a waste which harms the overall readiness of the Guard and reserves.

Even the study prepared by Management Consultants and Research (MCR) concluded that there will be no cost savings as a result of conversion to full-time military. AFGE's own studies, supplied to the Subcommittee, reveal that the MCR conclusion is overly optimistic in that conversion will actually result in increased costs because of the factors cited above.

I would be remiss if I did not point that continuing pay caps on the civilian workforce jeopardize the ability of the Guard and Reserves to attract and keep its highly skilled workforce.

A second premise embodied in the conversion program was that mobilization readiness would be increased because a number of civilian technicians had, for various reasons, lost their ability to meet mobilization requirements. This "status quo" technician problem was always confined primarily to the Army Reserve. Since 1970, all dual status technicians have been required to meet mobilization requirements and the status quo "problem", to whatever extent it may have existed, has been remedied by attrition in the last 12 years. (It is important to remember, however, that even status quo technicians have years of training and experience which have been extremely valuable to the reserve in all its non-mobilization activities. In general, the remaining civilian status quo technicians workforce is far more highly skilled and more of an asset to the units they serve that the AGR technician workforce.) Moreover, our experience demonstrates that the Army Reserve's conversion program has undermined, rather than increased, mobilization readiness.

In implementing the conversion program, the Department of the Army has in effect created a new category of <u>military</u> status quo technicians. When the Department persuaded Congress to conduct the conversion test program, they argued that the AGR personnel would represent mobilization assets. On the contrary, in many instances, as shown by the MCR study, most AGR technicians cannot be mobilized with their units. The study noted:

> "In the Army Reserve all full-time military are shown on apecial manning documents (tables of distribution and allowance or TDAs) not on unit documents to which assigned. Hence upon conversion of dual status technicians, the

unit positions currently held would become vacant and another reservist would be recruited to fill that slot."

When the vacant positions are filled with reserve personnel, AGR technicians are no longer mobilization assets. Upon mobilization, most AGR personnel will not, therefore, be listed on their unit's roster or accompany them into a theatre of operations. Instead, they will be reassigned to other duties. Civilian technicians, on the other hand, do accompany their units into a theatre of operations upon mobilization.

In addition to the military status quo problem, the conversion from dual status civilian to full-time military will adversely affect the readiness capability of the reserve and Guard components in other ways.

Our studies indicate that the average civilian technician in the Guard, for example, has 18 years experience and was hired as a skilled technician who serves as a trainer to part-time guardsmen. Typically, the technician (in either the Guard or the reserves) is able to work without supervision. The conversion to full-time military involves a loss of continuity in the unit because of personnel changes every three or four years. This also results in a loss of efficiency because new personnel must be trained every three or four years. In addition, there is a loss of institutional memory in the unit under the conversion to full-time military. Civilian personnel with experience can perform all duties as assigned to them and are constantly sought by all phases of military personnel for guidance based on their expertise and experience. On the other hand, the full-time military who are filling converted slots are frequently not as qualified as the dual status technician

they replaced or, even as qualified as dual status technicians several levels lower than the position occupied by the full-time military. This replacement of skilled civilian technicians with unskilled military personnal, who are no lower in age, does nothing to improve readiness capabilities.

The conversion program has also had a severe impact on the dual-status civilian technician workforce because slots above entry level have been converted thereby denying dual-status technicians the promotional opportunities they would have had but for the conversion. In addition, our experience indicates that many civilian technicians were pressured into converting and there are plans for massive involuntary conversions. To date, no one has been able to demonstrate a single actual advantage to the government or our defense posture resulting from the turmoil which such conversion actions are creating in the dual status workforce.

In view of the experience with the conversion process, AFGE strongly recommends that the Subcommittee put an end to the conversion program and that, following the incumbent's current tour of duty, all converted positions be returned to performance by dual status technicians. We appreciate the time and effort which the Subcommittee and its staff have given to the problems caused by the conversion program and we look forward to working with you to end those problems.

Mr. DICKS. Thank you for a comprehensive statement.

STATEMENT OF MR. KEARNEY

Mr. KEARNEY. I am Dan Kearney. I have a couple of comments. I would like to talk about the human side of this whole situation.

TECHNICIANS AS COMMUNITY ASSETS

For instance, not only is the technician a mobilization asset, but he is also a community asset. They bring their families up, buy property in the community. Those children generally go through the high school. They are not faced with constant transfers. They are faced with emergency call-ups, of course, but the military, if they are there, may live in barracks; they may live in base housing; or they may just rent, waiting for the next move.

Most civilian soldiers are proud and happy to work on the job they have. They have gained expertise. They have worked on jet engines for years and years and years. They know how they go together. They can be depended upon.

They also have duties. For instance, the main Air National Guard maintains and flies Boeing KC-135 Stratotankers—Boeing, I said, Stratotankers. The KC-135 acts as a part of the Boeing 132 fortress and other military aircraft to give the United States global striking power.

The Air National Guard has been awarded the United States Air Force Medal for Excellence in recognition of exceptional meritorious service for the period July 1, 1979, to June 30, 1981.

The award was for maintaining the capability for conducting worldwide air fueling support.

Another Air guard unit at Cape Cod, fly the 106 in a sector running from Long Island to Bangor. I guess what I am saying is, they have a regular mission which they accomplish every day. If they were not accomplishing it, the Air Force would have to do it. They do it with 50 percent less people because they are experienced and steady.

Mr. DICKS. We have to stop at this point because we are going to run way overtime. I will put the rest of your statement in the record.

[The statement of Mr. Kearney follows:]

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

AFFILIATED WITH THE AFL-CIO

KENNETH T. BLAYLOCK, NATIONAL PRESIDENT
JOSEPH D. GLEASON, EXECUTIVE VICE PRESIDENT
NICHOLAS J. NOLAN, NATIONAL SEC.-TREAS.

J. F. GRANGER BUILDING

IN REPLY PLEASE REFER TO

THE CIVILIAN SOLDIER

TESTIMONY BY

DANIEL J. KEARNEY, AFGE NATIONAL VICE PRESIDENT

BEFORE THE

HOUSE DEFENSE APPROPRIATIONS SUBCOMMITTEE

AUGUST 10, 1982

You have heard facts and figures as to why military conversions are so costly. However, let's look at the human side of the civilian soldier that we represent. He or she is a very valuable asset to the communities they live in. They support community activities and their children enter the schools and it is guaranteed that they will remain in that school system probably until their graduation from High School. The families will not be threatened with constant transfers around the country and the world. Of course, full-time military, and rightly so, are subject to those moves. Full-time military are not generally community assets. They may either live in base housing or barracks or even rent in the outside community. In other words, they are short-timers in the community.

Most civilian soldiers are proud and happy to be working at their job. They gain years of experience on the equipment that they operate and/or service. No full-time military person ever obtains the expertise that the civilian soldier gains by his years of experience on the equipment that he is responsible for. He is constantly being updated on newer equipment and has the hands-on experience in order to make it function.

Let's look at some units:

The Maine ANG maintains and flies the Boeing KC-135 Stratotanker. The KC-135 acts as a partner to the Boeing B-52 Stratofortress and other military aircraft to give the United States global striking power. The Maine ANG, located in Bangor, has been awarded the United States Air

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Force Outstanding Unit Award in recognition of exceptionally meritorious service for the period July 1, 1979 to June 30, 1981. The award was for maintaining the capability for conducting worldwide air refueling support.

The ANG, Otis AFB, MA is charged with flying a mission with F-106's in a sector that runs from Long Island, New York to Bangor, ME. Those planes are aloft to guard the skies against any aircraft intrusion. This unit has won many awards in competition with the regular Air Force. They are ready and extremely capable because of their proficiency in maintenance and repair on the F-106. Those planes are kept flying many many more years than comparable AF units. The AF requires about 50% more manpower to keep their units performing the assigned missions.

The Army NG, ME is charged with maintaining helicopter rescue units which are constantly at the ready should any emergency arise in Maine. They have flown hundreds of missions when called upon by local government to aid in disasterous situations. They are also ready in case of a national emergency to move within 24 hours.

The Army Reserve Technician operates in small units throughout New England. Because these units are small, those technicians are responsible for many many functions in order to keep their reserve units at the ready. Their experience is valuable and only gained from years of experience with their units. We estimate that if these technicians were replaced by full-time military, the force would have to triple since full-time military do not have the across-the-board experience to operate the units.

Gentlemen of the Committee, I could go on and on about the value of our technicians and guardsmen, but I am certain that you get the point that money alone cannot measure the damage that will be done to the units by militarization. Most technicians tell me that they will not convert. If they don't, our country has lost.

* * * * * * * * * * * * *

August 5, 1982

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Mr. DICKS. You have experienced people with all kinds of talent and skill who will stay in if you have a dual program. They will not be around if this conversion thing goes forward. That is why I have opposed it consistently from the start.

It just didn't seem to me to be cost effective. I think both of you and John have made a very good statement on this issue this year.

Mr. KEARNEY. My last sentence says most technicians tell me they will not convert; if they don't, our country has lost.

Mr. DICKS. These are good talented people who can get jobs in the private sector. You are not going to get that kind of talent out of new people in the all-volunteer force.

Thank you very much.

TUESDAY, AUGUST 10, 1982.

NATIONAL FEDERATION OF FEDERAL EMPLOYEES

WITNESSES

JAMES M. PEIRCE, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

DAVID GUSKY, LEGISLATIVE DIRECTOR, NFFE

Mr. DICKS. Mr. James M. Peirce, President, National Federation of Federal Employees.

STATEMENT OF MR. PEIRCE

Mr. PEIRCE. Mr. Chairman, I will summarize a few points from the statement.

The National Federation of Federal Employees is pleased to appear today to discuss the fiscal year 1983 defense appropriations. Nearly half of our members are Defense Department employees.

CONTRACTING OUT

The Reagan Administration's increasing reliance on private contractors to perform government functions is a source of great concern to us.

In DOD alone, the Administration has targeted over 35,000 civilian positions for elimination in fiscal years 1982 and 1983 and the funding transfered to contract use. I might add that for 1983 through 1988 another 96,000 positions are programmed. This would be a tragedy, not only for the workers occupying these positions, but also for the American taxpayer.

Despite the lack of control over contract costs, the Reagan Administration is pressing forward with its program to contract out just about every government function possible.

We call your attention to a draft revision of OMB Circular A-76, the policy-setting instrument for contracting out Federal government goods and services developed by officials of the Administration.

While the draft has yet to be distributed for public comment, we obtained a copy and studied it thoroughly. It is a shocking document reflecting a complete and utter disregard for the public trust, good efficiency, and rights of Federal workers.

The draft would revise the government's policies on contracting out. The requirements for cost efficiency, which must, out of concern for the American taxpayer, be the most important factor in decisions to contract out, would be virtually eliminated from the process.

The draft is an open invitation to private contractors to compete only among themselves for the chance to rip off the Federal gov-

ernment to the tune of billions of dollars. It comes at the very moment that the Administration, through its misguided economic program, is forcing millions of citizens to endure hardships unprecedented since the Great Depression.

Many in Congress are finally awakening to the realization that the contracting out is often an expensive and inefficient proposition in comparison with in-house performance.

ONE-YEAR MORATORIUM

The House, in fact, has included language in the Defense Authorization Bill which would place a 1-year moratorium on contracting out within DOD.

Mr. DICKS. You have to get that through the conference.

Mr. PEIRCE. Yes, sir. The purpose of the moratorium, according to the committee report, is to provide time to develop permanent legislation establishing appropriate policy guidelines that will reorient the program in a sensible manner.

NFFE urges the members of the subcommittee to support the moratorium. It is critical that Congress takes immediate steps to at least delay the White House's headlong rush to make wholesale transfers of government functions to private industry.

Perhaps a twelve-month cooling-off period would give you a chance to assess the damage of the Reagan program.

Moreover, it would provide the opportunity to develop an alternative policy placing much greater emphasis on the prudent use of tax dollars rather than the amount of profits private business can drain from the U.S. Treasury.

A further concern of NFFE is the overall operations and maintenance portion of the defense budget. We recognize the need for improved weapons and greater research and development during this particularly tense period in foreign affairs.

QUALIFIED PERSONNEL TO MAINTAIN AND OPERATE COMPLEX WEAPONS SYSTEMS

We must not lose sight of the fact, however, that new and more complex weapons systems are virtually worthless without adequate numbers of qualified personnel to maintain and operate them.

We are both surprised and outraged that the Defense Department, at the very moment it is receiving the greatest funding increase in peacetime history, is threatening civilian personnel with reductions in force as a result of insufficient funding.

We seriously question, therefore, whether too much money is being funneled to weapons procurement and research and development, and not enough to operations and maintenance.

For fiscal 1983, for example, the Defense Authorization Bill recently passed by the House would allow a 36-percent increase over 1982 appropriations for procurement and an 11-percent hike for research. Yet the increase for operations and maintenance appears to be only 9.6 percent. It should be noted that a new $10 million aircraft can, within a few months, be a piece of junk unless a sufficient number of qualified technicians are on hand to maintain it.

Further, the newer breed of weapons require more, not less, technicians.

We hope the subcommittee takes a similar view on this issue as NFFE. While you cannot exceed the amount contained in the Authorization Bill, we urge you to at least provide the full measure of funding for operations and maintenance which the bill authorizes.

This is an area, Mr. Chairman, in which we would be very pleased to give you additional information in light of our current statement.

Mr. DICKS. Thank you for a very good, comprehensive statement.

[The statement of Mr. Peirce follows:]

NATIONAL FEDERATION OF FEDERAL EMPLOYEES

NFFE

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SERVING FEDERAL EMPLOYEES AND THE NATION SINCE 1917

STATEMENT BY

THE NATIONAL FEDERATION OF FEDERAL EMPLOYEES

BEFORE

THE SUBCOMMITTEE ON DEFENSE

HOUSE COMMITTEE ON APPROPRIATIONS

ON

FISCAL YEAR 1983 APPROPRIATIONS

AUGUST 10, 1982

Mr. Chairman and Subcommittee Members: The National Federation of Federal Employees is pleased to appear today to discuss fiscal 1983 defense appropriations. Nearly half of our organization's members are defense department employees.

The Reagan Administration's increasing reliance on private contractors to perform Government functions is a source of great concern to NFFE. In DoD alone, the Administration has targeted over 35,000 civilian positions for elimination in fiscal years 1982 and 1983 and the funding transferred to contract use. This would be a tragedy not only for the workers occupying these positions but also for the American taxpayer.

The controversy over the size and cost of the Federal bureaucracy centers on its direct-hire employees. Yet, as many people both in and out of Congress are finally beginning to realize this concern is misdirected; there is now an empire of Federal contractors that dwarfs the bureaucracy, an empire that is being continually strengthened and enlarged by policies which place unnecessary restrictions on the size of the Federal workforce and blatantly favor private industry over the public sector.

The statistics are frightening. According to a June 19, 1981 report by the General Accounting Office, between 1970 and 1980 "the size of the civilian executive branch workforce has decreased by about 120,000 employees (from 2.94 million to 2.82 million), as total Federal expenditures have increased about 195 percent. Concurrently, Federal expenditures for service contracts, adjusted for inflation, increased 28 percent." It is

important to note that in the same report the GAO said, "In our opinion, the rapid growth in service contract expenditures partly reflects agencies' reaction to personnel ceilings and the increased demands of new or expanded Government programs."

Still more frightening is that no one really knows the true extent of the Government's contracting-out activities. Though there have been many attempts to force a precise accounting, one has never been produced. Perhaps someday reliable data will be available. At the present time, however, accurate statistics on contracting out are virtually nonexistent and, if pressed, the Executive Branch could not explain to the American people exactly where one tax dollar out of every four eventually goes.

Despite the lack of control over contract costs the Reagan Administration is pressing forward with its program to contract out just about every Government function possible. We call your attention to a draft revision of OMB Circular A-76, the policy-setting instrument for contracting out Federal Government operations and services, presumably developed by officials of the Administration. While the draft has yet to be distributed for public comment, NFFE obtained a copy and studied it thoroughly. It is a shocking document, reflecting a complete and utter disregard for the public trust, Government efficiency, and the rights of Federal workers. The draft would indeed revise the Government's policies on contracting out. The requirements for cost efficiency, which must, out of concern for the

American taxpayer, be the most important factor in decisions to contract out, would be virtually eliminated from the process. The draft is an open invitation to private contractors to compete only among themselves for the chance to rip-off the Federal Government to the tune of billions of dollars. And it comes at the very moment the Reagan Administration, through its misguided economic program, is forcing millions of citizens to endure hardships unprecedented since the Great Depression.

The draft revision would make many changes to current contracting out policy. Certainly the most significant, and the most onerous, is the new threshold it proposes for mandating comparisons between in-house and contractor costs for operating commercial and industrial activities.

The proposed threshold contained in the draft revision is beautiful in its simplicity yet potentially devastating in its budgetary impact. Rather than utilizing a certain cost as the cut-off point below which cost comparisons need not be conducted, the draft proposes to use the size of an activity's workforce: "Activities with less than 10 FTEs (full-time equivalent employees) shall be converted to contract performance as soon as practicable," the draft states, "but no later than September 30, 1983, without a cost comparison. Agencies should not incur the delay and expense of conducting cost comparisons to justify in-house performance of commercial activities with 10 to 25 FTEs. Such in-house activities should be converted to contract as soon as practicable, but no later than September 30, 1983, without a cost comparison."

The proposed threshold could not have been more favorable to private contractors, and less considerate of the taxpayers, if it had been drafted by the contractors themselves. Indeed, we suspect this may be the case. The size of an activity's workforce bears little, if any, relationship, to the size of its annual budget: 25 employees could manage activities with yearly budgets ranging from $400,000 to $4 million or perhaps $400 million. But according to the new standard these activities, with few exceptions, would be contracted out -- period -- regardless of whether Federal workers can perform the work better and at less cost.

Activities with more than 25 FTEs would undergo a cost comparison unless, in the view of the agency head or deputy, "the results of recent cost comparisons of like activities, GAO report audit findings, etc., the in-house operation does not have a reasonable expectation of winning the competition...."

We doubt more vague or nebulous wording has been proposed for a Federal regulation. This language, coupled with the 25-employee threshold, is an open invitation to Administration political appointees to arbitrarily turn $20 - $30 billion in commercial and industrial activities over to private contractors and the poor quality, "buy-in" bids, and cost overruns that have become commonplace in contract performance.

Another insidious provision of the revised A-76 is the stipulation that all "new requirements," those "newly-established need(s) for a Government product or service," be

contracted out without a cost comparison. In other words, the draft A-76 would give every new Government commercial and industrial activity to private contractors regardless of cost. Once again, it is difficult to conceive of a proposal more favorable to business and, at the same time, more insensitive to the interests of the average American citizen.

The revisions to A-76 contain many objectionable proposals in addition to those already cited. They would, for instance, reduce protections for employees whose jobs have been lost to contract, as well as restrict the appeals process. The current provisions are so weak the changes would be barely noticeable. The point is, however, that at the same time the Administration proposes to accelerate contracting out it would weaken the safeguards for the very employees who would be most harmed.

As noted previously, many in Congress are finally awakening to the realization that contracting out is often an expensive and inefficient proposition in comparison with in-house performance. The House, in fact, has included language in the fiscal 1983 defense authorization bill which would place a one-year moratorium on contracting out within DoD. The purpose of the moratorium, according to the Committee report (House Report (97-482), is to provide time to develop "permanent legislation establishing appropriate policy guidelines that will re-orient the program in a sensible manner."

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NFFE urges the members of the Subcommittee to support the moratorium. It is critical that Congress takes immediate steps to at least delay the White House's headlong rush to make wholesale transfers of Government functions to private industry. Perhaps a 12-month cooling off period would give legislators a chance to assess the potential budgetary and programmatic damage of the Reagan program. Moreover, it would provide the opportunity to develop an alternative policy placing much greater emphasis on the prudent use of tax dollars rather than the amount of profits private business can drain from the U.S. Treasury.

* * *

A further concern of NFFE is the overall operations and maintenance portion of the defense budget. We recognize the need for improved weapons and greater research and development during this particularly tense period in foreign affairs. We must not lose sight of the fact, however, that new and more complex weapons systems are virtually worthless without adequate numbers of qualified personnel to maintain and operate them.

We are both surprised and outraged that the Defense Department, at the very moment it is receiving the greatest funding increase in peacetime history, is threatening civilian personnel with reductions-in-force as a result of insufficient funding. We seriously question, therefore, whether too much money is being funneled to weapons procurement and research and development, and not enough to operations and maintenance. For

fiscal 1983, for example, the defense authorization bill recently passed by the House would allow a 36 percent increase over 1982 appropriations for procurement and an 11 percent hike for research. Yet, the increase for operations and maintenance appears to be only 9.6 percent. It should be noted that a new ten million dollar aircraft can within a few months be a piece of junk unless a sufficient number of qualified technicians are on hand to maintain it. Further, the newer breed of weapons require more not less technicians.

We hope the Subcommittee takes a similar view on this issue as NFFE. While you cannot exceed the amount contained in the authorization bill, we urge you to at least provide the full measure of funding for operations and maintenance which the bill authorizes.

* * *

As I am sure you are aware, there has been a problem for quite some time within the National Guard Bureau concerning the civilian versus military status of technicians. The problem has reached the point where technicians feel it is intolerable. Some form of action is necessary, and we ask the Subcommittee's assistance.

Civilian technicians work during the normal 40-hour week as civilians, much as other employees within the Department of Defense. However, they must also belong to the National Guard in order to retain their civilian positions. This dual status causes several problems, one of them being housing.

DoD personnel must occupy Government quarters when traveling on temporary duty assignments (TDY). Civilian employees of DoD are housed according to their civilian grade; the higher the grade, the better the quarters. The military are housed based upon their military rank. Although the technicians are in a civilian status more often than not while on TDY, they are nevertheless housed according to their military rank. Since most technicians occupy civilian positions at a much higher grade than their military rank, this policy places them in less adequate quarters. To complicate matters, the housing for enlisted personnel is often far below the standards required by agency regulation.

On May 21, 1981 Mr. Chairman, you addressed a letter to Casper Weinberger, Secretary of Defense, listing several requirements which Army Reserve and National Guard technicians must follow. One of these was, "Military technicians will occupy government quarters based on military grade when in a travel status." Since that date the NGB has revised its regulations to redefine all dual status technicians as "military technicians." In addition, they have just proposed a change to their regulations which would mandate that technicians occupy quarters based on military rank.

In a recent TDY trip to Eglin Air Force Base, members of NFFE Local 1669, from Fort Smith, Arkansas, were housed in substandard quarters, contrary to Air National Guard regulations and Air Force regulations, as well as to their negotiated agreement. The technicians' Commander knew the quarters were inadequate, but Eglin's billoting officer would not give a substandard release so they could occupy other quarters. Approximately

50 people were housed in a facility that could accommodate barely half that many. Aside from the shabby, crowded conditions there were safety hazards throughout the entire building. In addition, there was one bus, a 28-seater, to carry more than 50 individuals to and from work. There was no transportation at lunch, yet they were denied access to the mess hall. They finally had to rent vehicles to travel around.

Unfortunately, this is not a unique situation. We therefore ask the subcommittee to reverse its position and instruct the National Guard Bureau and the services to institute a policy which requires technicians to occupy quarters when on TDY based on their civilian grades when in civilian status, and their military ranks when in a military status. Without these changes, technicians will no longer volunteer for TDY and defense readiness will be adversely affected.

NFFE is also deeply concerned with the large number of technician positions converted from civilian to military status and the additional conversions planned for FY'83. We urge you to end this misguided program as soon as possible but no later than September 30, 1982, the end of the fiscal year.

The civilian technician force has been the backbone of the National Guard for many years. Their experience is a major asset to the armed services and to the military mission of our country. Yet, many technicians are leaving the Guard for employment in private industry expressly because of the conversion issue. Their positions are being filled by new, less experienced personnel who simply cannot match the quality workmanship of their predecessors. The vital functions which technicians perform suffer accordingly.

The Subcommittee can stem the loss of civilian technicians, together with their knowledge and skills, by putting an end to the conversion program. Once more, we urge you to do so.

That concludes my statement. I will be happy to answer any questions.

POST CONTRACT AUDITING

Mr. DICKS. I have been pushing for a post contract auditing to see if we do save money contracting out. I have grave doubts this is as cost effective as the Administration claims it is. I think one of the major things driving contracting out is personnel ceilings. They work to the detriment of the proper functioning of our industrial facilities around the country.

I had a meeting this weekend with the members of the group that runs the shipyard in Bremerton, Washington, my home town.

They tell me they throw up their hands at these personnel ceilings. I think even though it isn't supposed to, that is one of the major forces driving the contracting situation.

Mr. PEIRCE. What I hear, Mr. Chairman, and I have been hearing all over this country since the first of the year, relates to your statement. As I indicated, a lot of our units are DOD units. I have talked to base commanders, facility commanders and so forth around the country. I have yet to find one that is in favor of contracting out.

One General who has command over a readiness unit involving a maintenance function—this is heavy equipment, electronics, guns, the whole bit—was very concerned because he was under a contract study. It was for a maintenance unit of about 850 civilians. The general's statement to me was, "If this gets contracted out, I cannot maintain the integrity of my mission. There would be just no way."

Yet it looks like the function may be forced to contract performance.

Mr. DICKS. That is the kind of problem we are all faced with. I appreciate your statement here today. It is a very good, comprehensive statement. Nice to see both of you here.

Mr. GUSKY. Thank you, Mr. Chairman.

Mr. PEIRCE. Thank you, Mr. Chairman.

TUESDAY, AUGUST 10, 1982.

SHIPYARD INDUSTRIAL MOBILIZATION BASE

WITNESSES

EDWIN M. HOOD, PRESIDENT, SHIPBUILDERS COUNCIL OF AMERICA

MICHAEL J. GALLAGHER, PRESIDENT OF THE NEW YORK AND NEW JERSEY DRY DOCK ASSOCIATION

GORDON H. FALT, JR., DIRECTOR, NAVY MARKETING, BATH IRON WORKS CORPORATION, AND VICE PRESIDENT OF THE NEW ENGLAND SHIP REPAIR YARD ASSOCIATION

WALTER A. LARSEN, CHAIRMAN OF THE BOARD, WESTERN SHIPBUILDING ASSOCIATION

Mr. DICKS. Our next witness is Mr. Edwin H. Hood, President, Shipbuilders Council of America.

Your prepared statement will be inserted into the record, please proceed.

STATEMENT OF MR. HOOD

Mr. HOOD. Mr. Chairman, I will be quick. Our collective purpose this morning is to support the Fiscal Year 1983 budget request of $4.6 billion for Naval ship repairs, overhauls, and alterations.

With merchant ship construction markets virtually evaporating, with commercial ship repair opportunities slacking off, with the real impact of the Navy's expanded shipbuilding program still at least two years downstream, significant segments of the U.S. shipyard industry face difficult problems of existence, let alone survival.

SHIPYARD INDUSTRIAL MOBILIZATION BASE

Most importantly, there is the related effect on the Nation's shipbuilding industrial mobilization base which Presidents of the United States have successively stressed is "vital to national security." Without a throughput of work, however, that base cannot be preserved.

As markets disappear or decline, shipyard facilities and skilled workers are idled. Shipbuilders look to ship repairing and possible ship conversion alternatives as a means of minimizing their predicament: at least a part of their trained skilled workforce can thereby be kept together.

In this sense, Navy ship repair, overhaul and alteration work must, under today's circumstances, be viewed in several contexts: (1) the Naval fleet obviously must be maintained in an orderly manner in the national interest, (2) a sufficient shipyard industrial mobilization base, including drydock and building way capacity, must be maintained for emergency use to provide for ship reactiva-

tions, battle damage repair, completion of on-going new construction, and routine repair of merchant and naval vessels, and (3) a balanced labor force capable of accomplishing these requirements must be maintained: it must not be demobilized, it cannot be duplicated quickly, it can only be reassembled at substantial costs.

The answer rests in a continuous stability of shipyard operations and workforce. Of the Fiscal Year 1983 budget request of $4.6 billion for Navy ship repairs, overhauls and alterations, $1.65 billion of this funding is targeted for work in the private sector where it is needed. We, therefore, most respectfully urge your approval of these funds in their entirety.

With that brief introduction, Mr. Chairman, my colleagues also have equally brief statements to present for your subcommittee's consideration.

[The information follows:]

Statement By
Edwin M. Hood, President
Shipbuilders Council of America
Before
Subcommittee on Defense
House Committee on Appropriations
August 10, 1982

Mr. Chairman, Members of the Subcommittee.

I am Edwin M. Hood, President, Shipbuilders Council of America, a national industry association composed of shipbuilders, shiprepairers and ship component manufacturers. I am accompanied by spokesmen from the New England Ship Repair Yard Association, New York New Jersey Dry Dock Association and the Western Shipbuilding Association.

Our collective purpose this morning is to support the FY '83 budget request of $4.6 billion for naval ship repairs, overhauls and alterations.

With merchant ship construction markets virtually evaporating, with commercial ship repair opportunities slacking off, with the real impact of the Navy's expanded shipbuilding program still at least two years downstream, significant segments of the U.S. shipyard industry face difficult problems of existence, let alone survival.

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Best Available Copy

Mr. DICKS. Mr. Hood, that is a very concise statement. I think the issues are exceedingly important. It is something that I am personally concerned about. In the State of Washington, we have both a major public shipyard which I am proud to represent. We also have Lockheed and Todd Shipyards, who are on the private side of the equation. I agree with you. We have to be concerned about this industrial base. We have to be concerned about search capability in a national crisis. I just hope that the Administration will do a better job in trying to keep this base all over the country intact. I think it is a tremendous national asset and something that we have to be concerned about.

CONSTITUTIONAL AMENDMENT FOR A BALANCED BUDGET

The Chairman has just arrived. I would like to make one other point. I think it is something for you business leaders to consider. There is in the process of consideration in Congress a constitutional amendment to require a balanced federal budget. If that were enacted today and we had to comply with it, even though all of us want a balanced budget, I would estimate that the defense budget would have to be cut by 6 or $7 billion and a lot of that cut would come out of operations and maintenance.

Secretary Weinberger has sent us over examples of the kinds of cuts that would have to be made if drastic cuts were made in the existing defense budget. I suggest you might want to take a look at that because this is a popular passion of the moment. However, the actual reality of what would have to happen, when you look at the federal budget, I think is something that your group should be technologically concerned about, because I think it is going to come right out of overhaul and repair work. Things of that nature would have to be drastically reduced. You can't get those kinds of savings out of procurement. Those of you who are involved in this kind of important work, I think it is something you ought to be concerned about.

Mr. Gallagher?

STATEMENT BY MR. GALLAGHER

Mr. GALLAGHER. My statement is very brief, Mr. Chariman.

On behalf of the members of the New York-New Jersey Dry Dock Association, I wish to thank you for the opportunity to once again testify before your committee. The New York-New Jersey Dry Dock Association is a trade association representing eight shipyards in the port of New York-New Jersey.

The Fiscal Year 1983 Defense Appropriations bill allocates $4.6 billion for the repairs, alterations, and conversions of Naval vessels. The Navy has assured us that 35 percent or some $1.75 billion will be spent in private shipyards. We urge you to support this portion of the bill.

The ship repair industry has not suffered such economic difficulties since the depression. In New York Harbor alone two dry dock companies went out of business in 1981, and there is a likelihood of another major New York shipyard closing its doors this year. The U.S. Merchant Marine fleet has declined to a low of only 530 active vessels. Without the continued assurance of being able to bid on

Naval ship repair work, many more yards would be forced out of business.

As this committee is aware, very few Naval vessels are home ported in the northeast. In past years, the Navy has allowed cross-district bidding. We urge this practice be continued. If the private shipyard industry is to continue as a second arm to the defense of our country, we must be assured of continued availability of work.

On behalf of our members, I wish to thank you and your committee for your past support.

Mr. ADDABBO. Mr. Falt?

STATEMENT BY MR. FALT

Mr. FALT. Mr. Chairman, I am Director of Navy Marketing at Bath Iron Works Corporation in Bath, Maine. I am Vice President of the New England Ship Repair Yard Association who I am representing here today. This organization represents seven ship repair organizations in the New England area.

We thank you for this opportunity to express our views on the state of the ship repair business and on the Navy's request for ship overhaul and maintenance funds.

As you surely realize, the private shipbuilding and ship repair industry is vital to the Nation's defense structure. Today with major reductions in merchant construction and repair in this country, it is vital that Navy work be properly funded and made available for private sector overhaul and repair. Without an adequate supply of Navy work, it will be difficult for many of the present ship repairers and even some shipyards to remain in business. This is happening in New England. One of our larger repair facilities is presently without work and rumors of its possible closing persist.

Today with the need for dominant Naval presence throughout the world's oceans, it is imperative that sufficient funds be appropriated to maintain our Naval ships at a high state of material readiness. This work can best be done in the private sector. Here private capital investment—not Federal funds—has resulted in a modern, highly competitive repair industry. What is needed to sustain this industry is a balanced flow of naval work. Once available, efficiencies increase, quality improves, and costs are reduced. This combination means better overhauls for the Navy and savings of taxpayers' dollars.

Unfortunately, at the present time, lack of Navy fund and the need to keep ships at sea for extremely long periods of time has resulted in a very erratic overhaul market. Very few yards have been fortunate enough to keep a steady manning level, and those that have seldom can look ahead with any assurance that their work load will continue. Some yards will not stay in business unless this trend is reversed. A balanced flow of ships is needed to be available for competitive bidding within the private sector. That will solve most of the problems we are experiencing today.

Therefore, we urge you to support the total budget request for naval ship repair and overhaul work for the next fiscal year. This makes sense in two areas—the first results in a strong and healthy Naval force. The second results in a strong and healthy ship repair

industry which is so vital to our nation's defense. Also, to assure an even stronger repair industry, we respectfully request that a larger portion of nonnuclear ship repair be allocated from the public yards to the private sector. Ships will be repaired competitively at lower costs and the nation will have an active pool of ship repair and ship construction personnel so vital in times of national emergency.

Mr. ADDABBO. Thank you.

Mr. Larsen?

STATEMENT BY MR. LARSEN

Mr. LARSEN. Mr. Chairman, I am Walter Larsen, Chairman of the Board of Western Shipbuilding Association. We fully support and urge your approval for the $4.6 billion requested for funding of Navy ship repair, alterations, and overhaul work in Fiscal Year 1983. The requested $2.5 billion ceiling on expenditures of these funds in public yards is, in our opinion, equitable.

As we have noted in prior years' testimony before this subcommittee, private ship repair capacity continues to be under-utilized on the West Coast. Commercial ship repair activities continue to decrease as more and more of our import and export cargoes move in foreign bottoms. Recently announced Administration maritime policy, that encourages commercial U.S.-flag shipbuilding and repair in foreign yards, makes it apparent that the U.S. shipyard industry will now become more dependent than ever before on Navy work. This greatly increases the importance of an equitable allocation of Navy work to the private sector. Without this area of Navy work, our private ship repair yards could soon be written off as an effective part of the nation's defense mobilization base.

The Congress has recently provided for an increased rapid deployment capability. This capability must have additional logistic support to effectively accomplish its objectives. Historically, the U.S.-flag merchant fleet has been relied upon to provide this support. This fleet has long been considered the fourth arm of our military. However, the capabilty of our U.S.-flag merchant fleet has been decreasing over recent years, and the trend continues downward. United States sealift capability must be increased now. This capability significantly impacts our defense posture, and should be a consideration of the defense appropriations process.

We again strongly urge your approval of the $4.6 billion requested by the Navy Department for the accomplishment of Navy ship repair, alteration and overhaul work in Fiscal Year 1983.

Thanks again for the oportunity to appear before the subcommittee and present our views on this important subject.

[The statement of Walter A. Larsen follows:]

Statement By
Walter A. Larsen, Chairman of the Board
Western Shipbuilding Association
Before
Subcommittee on Defense
House Committee on Appropriations
August 10, 1982

Mr. Chairman, Members of the Subcommittee.

My name is Walter A. Larsen. I am Chairman of the Board of Western Shipbuilding Association. Our Association is a coalition of industry and labor, representing shipbuilding and ship repair yards, labor organizations, suppliers, subcontractors and other related segments of the maritime industry located on the Pacific Coast and in the State of Hawaii.

We appreciate the opportunity to appear here today to express the views of the membership of Western Shipbuilding Association on the important subject of defense appropriations as it concerns the repair, alteration and overhaul of United States naval vessels in fiscal 1983.

We fully support and urge your approval of the $4.6 billion requested for funding of Navy ship repair, alteration and overhaul work in fiscal 1983. The requested $2.95 billion ceiling on expenditures of these funds in public yards is, in our opinion, equitable.

As we have noted in prior years' testimony before this Subcommittee, private ship repair capacity continues to be under utilized on the West Coast. Commercial ship repair activities continue to decrease as more and more of our import and export cargoes move in foreign bottoms. Recently announced Administration maritime policy, that encourages commercial U.S.-flag shipbuilding

and repair in foreign yards, makes it apparent that the U.S. shipyard industry will now become more dependent than ever before on Navy work. This greatly increases the importance of an equitable allocation of Navy work to the private sector. Without this share of Navy work, our private ship repair yards could soon be written off as an effective part of the nation's defense mobilization base.

The Congress has recently provided for an increased rapid deployment capability. This capability must have additional logistic support to effectively accomplish its objectives. Historically, the U.S.-flag merchant fleet has been relied upon to provide this support. This fleet has long been considered the fourth arm of our military. However, the capability of our U.S.-flag merchant fleet has been decreasing over recent years, and the trend continues downward. United States sealift capability must be increased now. This capability significantly impacts our defense posture, and should be a consideration of the defense appropriations process.

The private ship repair industry has earned its "essential" status, first, in serving as an all-important segment of the nation's industrial defense mobilization structure during some of our country's most trying periods, World War II, Korea, Viet Nam, and others. And, second, in contributing to the nation's economic needs, also during times of adversity.

We are currently experiencing a period in our history in which unemployment is at one of its highest levels since the depression days of the 1930's. A majority of the nation's

shipyards are located in and around some of the more depressed areas of the country. The ship repair industry is highly labor intensive, and a substantial percentage of its labor force is comprised of unskilled workers, which represent a major segment of the nation's unemployed. In addition, our industry complies with important Government work programs by providing employment for great numbers of minority and female workers.

We again strongly urge your approval of the $4.6 billion requested by the Navy Department for the accomplishment of Navy ship repair, alteration and overhaul work in fiscal 1983.

Thanks again for the opportunity to appear before the Subcommittee and present our views on this important subject.

Mr. ADDABBO. Thank you very much, gentlemen. We agree with you that more work should be going to the shipyards. The other thing we must be careful about, last year or early this year, the CNO was trying to move more work into private rather than public shipyards, rather. We have to watch the question of homeporting. Hopefully the new CNO will remember the battles of the past so we don't have to do battles again on homeporting. All shipyards will get a fair amount of work so we do have the industrial base to protect our national security.

Thank you very much.

TUESDAY, AUGUST 10, 1982.

INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEEERS

WITNESSES

HARVEY NATHANSON, CHAIRMAN OF THE DEFENSE SUBCOMMITTEE OF THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS' COMMITTEE ON RESEARCH AND DEVELOPMENT

WILLIAM G. HERROLD, IEEE MANAGER OF PUBLIC AFFAIRS

Mr. ADDABBO. Our next witness is Dr. Harvey Nathanson, Institute of Electrical and Electronic Engineers Incorporated.

STATEMENT OF MR. NATHANSON

Dr. NATHANSON. I would like to introduce Bill Herrold, IEEE Manager of Public Affairs. I would like to request the entire statement be placed in the record.

I am going to summarize quickly.

Mr. Chairman, members of the subcommittee, I appear before you this morning as Chairman of the Defense Subcommittee of the Institute of Electrical and Electronic Engineers, the Committee on Research and Development. The IEEE is the world's largest technical professional society with over 185,000 U.S. members representing all disciplines of electrical and electronic engineering. We would like to highlight three activities we feel are of paramount importance for which we would like to see funds appropriated at the full level authorized. These are, one, an aggressive research, development test, and evaluation program with strong 6.1 and 6.2 commitment; two, a well-equipped university research capability in the United States; and three, a long range commitment to the very high speed Integrated Circuits Program. I will address each of these briefly.

AGGRESSIVE RDT&E PROGRAM

In terms of maintenance of an aggressive RDT&E program, we were pleased to note the Administration's 1982 proposed increase of $4.4 billion for RDT&E, a real increase of approximately 15.4 percent over fiscal year 1982 appropriation levels. We were disappointed to note that both the Senate and House Armed Services Committees reduced this amount to approximately a real 5.6 percent increase over 1982 appropriations levels and in our mind, given the substantially larger allocations by the USSR for defense research, we feel this lower amount constitutes a minimal amount for defense RDT&E.

We are particulary concerned that the hearts of technology and advancement, namely the 6.1 and 6.2 R&D line items must not be

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weakened. As we attempt to strengthen the arm of our defense, while we certainly support DOD's quest for increased availability, maintainability, and reliability, it is important to use our technological seed corn—the 6. programs—maintain their strength and validity.

UNIVERSITY RESEARCH

Last year in terms of useful research support, a representative of our subcommittee presented testimony which emphasized the current problems in our universities. In line with our previous testimony, we would like to endorse DOD's new university research support program which we believe is funded at $30 million per year for the next five years starting in Fiscal Year 1983. Under this proposal, the universities and DOD would enter into a cost sharing agreement which would enable an upgrading of university research equipment to an increase in the quality and quantity of graduates skilled in defense related technologies and, of course, lead to closer ties with universities and the defense industrial base. We strongly endorse the concept of combining the real world monitoring perspective of industry with the longer term indepth study capabilities of academia. We think together they make a winning combination.

VERY HIGH SPEED INTEGRATED CIRCUITS PROGRAM

Our third area of concern is the VHSIC program. The IEEE first endorsed this project in May of 1979. We have been pleased to see DOD has led the way in producing the next generation of ICO's. Subsequent to the submission of the Administration's proposed Fiscal Year 1983 budget, DOD identified a need for an additional $14 million for the VHSIC program for validation and reliability studies, a VHSIC hardware description and design language, and additional Phase III work to support Phase II technology development in submicron lithosraphy.

We endorse these operations for the additional $14 million and urge you to appropriate the full $18 million to continue the VHSIC program during 1983.

One final comment on VHSIC. We believe technology insertion is critical. A strongly supportive team of technologists, system architects, and—most importantly—main-frame program managers must courageously and aggressively venture the necessary risk over the next 8 years. Long-term funding planning through 1990, such as was evidenced by the recent Tri-Services meeting in Gaithersburg, is needed to guarantee vital System Command and Industrial Supplier attention.

We believe VHSIC is a high payoff thrust and hope this committee will continue to play an important role in encouraging this activity.

In conclusion, the IEEE Subcommittee on Defense R&D thanks you for the opportunity to address you. We are particularly supportive of, one, the maintenance of a strong RDT&E program with critically funded 6.1, 6.2 effort in 1983; two, means to increase the equipment base in our Nation's universities and means to encourage industry-university interaction; and, three, a long-term, well-

planned support posture for VHSIC so as to encourage main-frame supplier participation at an early date.

Again, we thank you. I am available to answer any questions you might have.

[The statement of information follows:]

TESTIMONY OF THE IEEE RESEARCH AND DEVELOPMENT COMMITTEE
SUBCOMMITTEE ON DEFENSE
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
AUGUST 10, 1982

Mr. Chairman, members of this Subcommittee, my name is Dr. Harvey Nathanson, and I appear before you this morning as Chairman of the Defense Subcommitee of the Institute of Electrical and Electronics Engineer's (IEEE) Committee on Research and Development. The IEEE is the world's largest technical/professional society, with over 185,000 U.S. members, representing all disciplines of electrical and electronics engineering. In 1980, the IEEE founded its Research and Development Committee, a mechanism through which the Institute formulates and voices its concerns on Federal R&D programs and policies.

Because of the breadth of the IEEE, there are many defense research and development programs under consideration which impact both our membership and the technologies they represent. I would like to highlight three activities which we feel are of paramount importance, and for which we would like to see funds appropriated at the full level authorized. These are:

- An aggressive Research, Development, Test and Evaluation program with strong 6.1 and 6.2 Committment, and emphasis on high leverage technologies, such as electronics
- A Well-equipped University Research capability in the U.S.
- A strong long-range commitment to the Very High Speed Integrated Circuits (VHSIC) Program

I. MAINTENANCE OF AN AGGRESSIVE RDT&E PROGRAM

In his statement on the FY 1983 Defense Department Program for Research, Development and Acquisition, Under Secretary of Defense Richard D. DeLauer noted that since 1977, the USSR has substantially outpaced the United States in average annual production of the major armament elements of military power.[1] In the context of this quantitative growth of Soviet military power, U.S. technological leadership becomes an ever more important element in maintaining our national security.

Dr. DeLauer also presents a comparison of the relative strength of the U.S. and the USSR in twenty basic technology areas. These technologies were selected for their potential for significantly changing the military balance in the next ten to twenty years. Today, the United States dominates in fourteen of these technologies. However, in seven of these fourteen cases, (e.g. E/O sensors and Guidance/ Navigation), U.S. superiority is significantly declining as the USSR continues to outspend the United States on defense research and development at a ratio of 2:1.[2]

Under these circumstances, we were pleased to note the Administration's proposed increase of $4.4 billion dollars for RDT&E, a real increase of approximately 15.4% over FY 1982 Appropriation levels given the Administration's current projections of a 6.7% inflation factor. We were, however, disappointed to note that both the Senate and House Armed Services Committees reduced this amount to approximately a 5.6% real increase over FY 1982 appropriation levels. Given the substantially larger allocations by the USSR for defense

research, we feel that this lower amount constitutes a minimal amount for Defense RDT&E.

One last item on RDT&E: we are particularly concerned that the "heart" of technological advancement, namely, the 6.1 and 6.2 R&D line items, must not be weakened as we attempt to strengthen the "arm" of our defense. While we support DOD's quest for increased maintainability and reliability, it is important that our technological "seed-corn", the 6-point programs, maintain their strength and vitality.

II. University Research Support

Last year, a representative of our Subcommittee, Dr. Fred Blum, presented testimony to this committee which emphasized the current problems of our university resources and our manpower base. We would again stress the need to upgrade our universities in order to assure that our science and engineering manpower is of adequate quantity and quality to support our defense research needs in a variety of technology fields. One proposal under consideration by the Defense Department is an adjustment to the IR&D regulations to encourage private industry to contract out work to the universities. In line with our previous testimony, we would like to endorse this concept, as well as DOD's new University Research Support Program which is funded at $30 million per year for the next five years starting in FY 1983. Under this proposal, the universities and the Defense Department would enter into cost sharing agreements which would enable:

1. An upgrading of University research equipment
2. An increase in the quality and quantity of graduates skilled in defense-related technologies.

3. Closer ties between Universities and the defense industrial base which would provide for a more rapid transfer of technology from the University to industry.

We strongly endorse the concept of combining the "real world" monitoring perspective of industry with the longer-term, in-depth study capabilities of academia, and the goal oriented programs of national security. Together they make a winning combination.

Should this committee appropriate the full funding authorized for Defense RDT&E, funding can be made available for the University Research Support program without a detrimental effect on the Services Objectives-Oriented RDT&E programs. Because we feel the total program is of vital importance, we again would urge you to appropriate the full amount authorized for the Defense research and development programs.

III. Very High Speed Integrated Circuits (VHSIC)

The final program we would like to address is the Very High Speed Integrated Circuits (VHSIC) program. The IEEE first endorsed this project in May of 1979, and we have been pleased to see the Defense Department lead the way in producing the next generation of integrated circuits. Subsequent to the submission of the Administration's proposed FY 1983 budget, the Defense Department identified a need for an additional $14 million for the VHSIC program for:

- Validation and Reliability measurements to ensure technology insertion.
- VHSIC Hardware Description and Design Language.
- Additional Phase III work to support Phase II technology development in submicron lithography, starting material and packaging.

We endorse the authorizations for the additional $14 million allowed by both the Senate and House Armed Services Committees, and urge you to appropriate the full $80 million requested to continue the VHSIC program during FY 1983.

A final comment on VHSIC: Technology insertion is critical. A strongly-supportive team of technologists, system architects and most importantly, main-frame program managers must courageously and aggressively venture the necessary risks over the next 8 years. Long-term funding planning through 1990, such as was evidenced by the Tri-Services at the recent 1982 VHSIC Review in Gaithersburg is needed to guarantee vital System Command and Industrial-Supplier attention.

We believe that VHSIC is a high payoff thrust, and hope that this Committee will continue to play an important role in encouraging this activity.

In conclusion, the IEEE Subcommittee on Defense R&D thanks you for the opportunity to address you. Our Committee is particularly supportive of: 1) the maintenance of a strong RDT&E program with a critically-funded 6.1/6.2 effort in 1983, 2) means to increase the equipment base in the Nation's universities and means to encourage industry/university interaction, and 3) a long-term well-planned support posture for VHSIC such as to encourage main-frame supplier participation at an early date.

Again, IEEE thanks you for this opportunity and I am now available to answer any questions that you might have.

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1. The FY 1983 DOD Program for Research and Development and Acquisition, R. D. DeLauer, Undersecretary of Defense, March 2, 1982, pp. II-21.

2. Report of the House Armed Services Committee on HR 6030, Report #97-482, p. 19 (bottom).

Harvey C. Nathanson

Dr. Harvey C. Nathanson manages the Microelectronics Department at the Westinghouse Research Laboratories in Pittsburgh, PA. His operation conducts applied research in support of divisional goals in such semiconductor activities as silicon and gallium arsenide crystal growth, high speed silicon integrated circuits and gallium arsenide microwave power IC's. He has over 20 patents in the field of solid state devices and has given numerous invited papers in the field of microwave integrated circuits and novel semiconductor device structures.

Dr. Nathanson was National President of the Electron Device Society of the IEEE during the years 1978-79. He is a member of the DOD's Advisory Group on Electron Devices and is presently the Chairman of the DOD Subcommittee of the R&D Committee of IEEE.

As well as being a member of Eta Kappa Nu and Sigma XI, Dr. Nathanson is a Fellow of the IEEE and listed in Who's Who in America.

Mr. ADDABBO. Thank you, Doctor. I appreciate your concise statement. In the main this committee has agreed with you on the importance of technology, and has shown that agreement by funding R&D.

TUESDAY, AUGUST 10, 1982.

COUNCIL FOR A LIVABLE WORLD

WITNESS

JOHN D. ISAACS, COUNCIL FOR A LIVABLE WORLD

Mr. ADDABBO. Our next witness is Mr. John Isaacs from the Council for a Livable World.

STATEMENT BY MR. ISAACS

Mr. ISAACS. Thank you, Mr. Chairman.

I do have a full written statement which I would like included in the record.

STRATEGIC WEAPONS

I very much appreciate the opportunity to testify on behalf of the Council for a Livable World as part of your hearings reviewing the Department of Defense budget. I intend to concentrate on the strategic weapons portion of the budget. Before making specific comments, I do wish to commend this subcomittee and the Chairman for your independent, hard-nosed approach to the military budget each year. I believe there is no committee or subcommittee on the Hill that looks so carefully and critically at each and every defense program—most recently the fiscal 1982 supplemental bill—even if you don't reduce the increases requested by the Administration as much as I would like. I might add that I last appeared before the subcommittee in 1974 and engaged in a debate with Congressman Kemp on the Vietnam War. I gather he has other fish to fry at this partiuclar time.

Mr. ADDABBO. He became international in scope.

Mr. ISAACS. Presidential, in fact.

As you consider the 1983 appropriation request, I am sure you are aware of the prevailing reality in Congress today. I think I know the Chairman's preferences (other Congressmen are not so thrilled;) but Congress is going to make some reductions in the military budget request for Fiscal Year 1983. Exactly how much is unclear, considering first of all the budget resolution, considering the conference going on right now on the defense authorization bill; but some reductions will be made, perhaps on the order of $10 billion, perhaps more.

When this subcommittee gets to markup, you have two basic choices: Either you can take the usual course of action and make small trims here and there, stretch out this or that procurement program, cut back operations and maintenance here and there; or you can make some real priority choices when examining this budget, something I believe this Administration has failed to do.

I would suggest you look particularly hard at big ticket items in the strategic budget as adding the least to U.S. national security interests.

I fully understand that cutting $4.5 billion from the MX missile program this year or the $4.8 million for the B-1 Bomber program will not produce significantly lower outlays next Fiscal Year nor make a large reduction in the federal deficit people are so concerned about.

But those two cuts alone will produce significant budget authority savings that will have to be made at some point in the budget process this year. At the same time, terminating these programs will produce significant outlay savings in the future at a time when you will be striving to produce a declining deficit. I know the strategic budget totals only $23 billion out of the entire Pentagon budget, but in considering the relative needs in the entire Pentagon budget, I believe this is where our priorities should be placed for cuts.

STRATEGIC AIR PROGRAMS

One of the priority choices is going to be found in examining the strategic air programs. As the Chairman is aware, because he has been concerned about this program as well, there are not one or two, but three separate programs to add new weapons to our strategic air leg, the cruise missile, B-1B, and Stealth.

For the Administration to move forward with three major air programs at a time of a budget crunch is the height of fiscal and military folly. The B-1B Bomber is a particularly wasteful and ineffective weapon with a limited strategic usefulness, but available at a high cost. The Administration's difficulty in justifying this huge purchase last year can be seen in its constantly changing cost estimates, the date of availability of the Stealth Bomber, and the date of the end of the B-1B bombers penetration ability into Soviet air space. Now there is a new study indicating even higher B-1B costs.

MX MISSILE PROGRAM

A second tough choice is the MX missile program. Much of this committee, the Chairman excepted, have been staunch supporters of the program over the years. Yet the MX-program as now outlined by the Administration is certainly not satisfactory even to the hawks on the committee, certainly to the long-time critics. The Administration, to be sure, deserves a measure of credit for discarding Jimmy Carter's 4,600 shelter plan and reducing the number of missiles to be deployed. However, having gone half way, the President was not willing to go the full measure, the full distance, and to admit that justification for proceeding with the remaining program is exceedingly weak.

Now, we are to consider Dense Pack, after considering 30 or so options enumerated on the chart, as the lastest hope for the MX missile—and probably the lastest hope failed. Since the program was first announced in 1979, there have been all sorts of changes in the program, the number of shelters declined, the number of missiles to be deployed declined, mobile deployment is no longer

mobile, super hardening has been abandoned. The most recent changes were the three options announced as the final choices in October and all three seem to have been abandoned at this point.

A third failure to make hard choices can be seen by looking at the probems confronting the U.S. today. A short list of these problems are included in the second chart: How to decrease the threat of nuclear war, how to respond to the Polish military crackdown, how to respond to the Soviet invasion of Afghanistan, how to bring peace to the Middle East, and so on.

Building MX or the B-1B does not respond to any of these problems. In fact, it diverts resources that might be better spent to meet these challenges. If, in fact, the subcommittee took the action and killed the MX this year, the total 5 years savings in budget authority would be $23.9 billion; $19.8 billion in outlays. Total five year savings from the B-1B, $27.2 billion in budget authority, $23.0 in outlays. Those are significant chunks of money.

U.S./SOVIET MILITARY BUILD-UPS

I do want to state, as I did in the prepared text, the Council For A Livable World reconizes the fact the Soviet Union has continued to build thousands of nuclear weapons far beyond any rational security needs. There is no doubt the Soviet Union has engaged in tremendous military buildup over the past decade that has produced a formidable military machine and has caught up and even surpassed the United States in many respects. The Reagan Administration, judging by its budget presentation, would have you believe the U.S. is way behind the Soviet Union and we have been standing still over the past decade in the development of strategic arms. That clearly leaves the implication that Presidents Nixon, Ford, and of course Carter, to say nothing of defense Secretaries such as Laird, Rumsfeld, Schlesinger and Brown—or even this subcommittee—have been derelict in your duties to protect national security. Nothing could be further from the truth. The United States has been proceeding with a wide range of strategic programs over the past decade and is still moving ahead with a lot more.

In summary, I believe the Defense Appropriations Subcommittee should be willing to make the hard choices and to terminate the MX program, the B-1B, and the chemical weapons program which I dealt with more in my prepared testimony and is the subject of a dispute in the conference going on right now.

If you do not act this year, we will be forced to deal with the budgetary impact for years to come. Moreover, the Soviet Union will respond in kind. The end result will be a diminishing of our national security and will bring the world closer to nuclear destruction. If nothing else, with a higher level of arms, we risk nuclear war due to miscalculation or accident. The only alternative that promises hope is a freeze in the nuclear arms race to be followed by reductions in the current stockpiles. The House took an extremely close vote on that last Thursday night. We hope in November there will be further election repercussions from that vote. The negotiating process which should lead to a freeze is a difficult one fraught with problems. We have no alternative if you want to spare our country and civilization the horrors of nuclear war.

[The statement of John D. Isaacs follows:]

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TESTIMONY OF JOHN D. ISAACS
ON BEHALF OF THE COUNCIL FOR A LIVABLE WORLD
BEFORE THE SUBCOMMITTEE ON DEFENSE
OF THE HOUSE COMMITTEE ON APPROPRIATIONS

August 10, 1982

I appreciate very much the opportunity to testify on behalf of the Council for a Livable World on the Fiscal Year 1983 Department of Defense budget. In my testimony today, I intend to concentrate on the strategic weapons portion of the $258 billion budget.

The Council for a Livable World was founded in 1962 by the eminent nuclear physicist Leo Szilard to combat the menace of nuclear war and to strengthen national security through rational arms control. The Chairman of the Council is George Kistiakowsky, President Eisenhower's Science Advisor, and the President is Jerome Grossman of Massachusetts. I am the Council's Legislative Director as well as Director of the Washington office.

The Council for a Livable World views the Reagan Administration's strategic modernization program as, at best, a costly, wasteful and ineffective means to meet this country's national security needs; at worst, the Administration's policy is fraught with danger to this country and risks pushing the United States and the rest of the world ever closer to a nuclear Armageddon.

One major flaw with the Administration's strategic modernization programs is that the President and his national security team remain entangled in senseless numbers excercises comparing U.S. nuclear forces to those of the Soviet Union.

A second flaw is that the Administration refuses to confront the difficult issues in deciding among various strategic weapons options and in evaluating strategic versus conventional weapons programs.

A third flaw is that the Administration continues to move toward the production of dangerous weapons programs that threaten the nuclear stability existing today.

And fourth and most important, the Reagan Adminstration's policy of arms control negotiations, while showing considerable progress in 19 months, still appears geared more to scoring points than to producing serious agreement.

THE SOVIET THREAT AND THE NUMBERS GAMES

Let me state at the outset that the Council for a Livable World recognizes the fact that the Soviet Union has continued to construct thousands of nuclear weapons far beyond any rational security needs. There is no doubt that the Soviet Union has engaged in a tremendous military buildup over the past decade that has produced a formidable military machine and has caught up with an even surpassed the U.S. in various static measurements of the nuclear balance.

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The Soviet Union could destroy us in a matter of hours -- just as we could destroy them. This mutual threat is an inevitable part of the hostage relationship which has existed for many years now between the superpowers. After all, The United States has about 9,000 strategic nuclear warheads today -- and about 26,000 of all forms of nuclear weapons. The Soviet Union has about 7,000 of their own strategic weapons, and a total of perhaps 20,000 nuclear weapons in all (See Table 1 for a listing of strategic weapons).

TABLE 1

Strategic forces of the United States and the Soviet Union

UNITED STATES

Land-based Intercontinental Ballistic Missiles

The United States now has deployed 1,054 ICBMs with a total of 2,154 warheads, including:

450 Minuteman II missiles—each with 1 warhead for a total of 450 warheads;
550 Minuteman III missiles—each with 3 warheads for a total of 1,650 warheads;
54 Titan missiles (although 2 are currently inactive)—each with 1 warhead for a total of 54 warheads.

Future: The United States plans to build and deploy by 1989 200 MX missiles, each with 10 warheads for a total of 2,000 warheads.

Sea-based Ballistic Missiles

The United States as of January 1981 had a total of 36 submarines in the inventory with a total of 576 missiles with a total of 4,816 warheads, including:

5 Polaris submarines—each with 16 A-3 missiles, each missile with 3 warheads, for a total of 240 warheads
(These 5 submarines are slated for deactivation as strategic submarines);
19 Poseidon submarines—each with 16 Poseidon missiles, each missile with about 10 warheads, for a total of about 3,040 warheads;
6 Poseidon submarines—each with 16 Trident C-4 missiles, each missile with about 8 warheads, for a total of about 768 warheads;
6 Other Poseidon submarines are in the process of converting from Poseidon missiles to Trident missiles, which means an additional 768 warheads.

Future: Under construction is a program to build at least 15 Trident submarines—each with 24 missiles, each missile with 8 to 10 warheads.

Strategic Bombers

The United States currently has deployed 412 long-range bombers with a total of about 1,900 nuclear weapons, including:

347 B-52 bombers—each with an average of a little over 5 weapons per plane, for a total of about 1,640;
65 FB-111 bombers—each with an average total of about 4 nuclear weapons, for a total of about 260;

Future: The United States is in the process of equipping 172 B-52 bombers with 20 cruise missiles each. In addition, the U.S. Air Force intends to build a follow-on manned bomber to replace the B-52s, either a version of the B-1 bomber and/or a newer "stealth" bomber.

In sum: In terms of overall strategic systems and weapons, the U.S. strategic forces are comprised of about 1,630 missiles and 412 long-range bombers with a total of about 9,000 nuclear warheads and weapons.

SOVIET UNION

Land-based Intercontinental Ballistic Missiles

The Soviet Union has deployed 1,398 ICBMs, with roughly 5,000 warheads, including:

580 SS-11s—with 1 warhead per missile;
60 SS-13s—with 1 warhead per missile;
About 150 SS-17s—most of which have 4 warheads and some 1 warhead;
308 SS-18s—most with 8 to 10 warheads and some with 1 warhead;
About 300 SS-19s—most with 6 warheads and some with 1 warhead.

Sea-based Missiles

The Soviet Union has about 62 submarines in inventory with a total of 950 missiles and under 2,000 warheads on a variety of submarines.

Strategic Bombers

The Soviet Union currently has about 149 long-range bombers, including:

49 Bison bombers (soon to be phased out);
100 Bear bombers.

In sum: Estimations of the Soviet Union's strategic forces are not as exact as numbers of American forces. Their forces are roughly comprised of about 2,350 missiles and 150 long-range bombers with a total of about 7,000 nuclear warheads and weapons.

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The Reagan Administration remains enmeshed in a number's game, using a supposed imbalance of forces as a major rationale for new strategic weapons. Defense Secretary Caspar Weinberger's Fiscal 1983 Posture Statement to Congress stated:

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> The broader picture of what has been happening to the nuclear balance becomes clearer as we look at a wide variety of measurements of the U.S.-Soviet nuclear relationship. No single measure of combination of these adequately describes the balance; however, when taken together we see a long downward trend in the U.S. position since the mid 1960's.
> Weinberger Annual Report to Congress, p. II-10

President Reagan went even further recently in his March 31, 1982 press conference: "The truth of the matter is that on balance the Soviet Union does have a definite margin of superiority."

The Reagan Administration would have us believe that we are way behind the Soviet Union and that we have been standing still over the past decade in the development of strategic arms. The Administration clearly leaves the implication that Presidents Nixon, Ford and of course Carter -- to say nothing of Defense Secretaries such as Laird, Rumsfeld, Schlesinger, Richardson, and Brown -- have been derelict in their duties to protect our national security.

Has the United States been standing still in the nuclear arms race? An examination of a list of strategic arms programs well underway before the Reagan Administration took office belies that notion:

1. Between 1969 and 1980 the U.S. strategic force grew from 3,950 warheads and bombs to about 9,000.

2. Between 1972 and 1979, the U.S. deployed 340 ICBMs and over 300 SLBMs, in addition to 1,000 SRAMS for our heavy bombers.

3. The U.S. engaged in a hardening program for our Minuteman force to increase the average blast resistance of our silos from 300 to 2,000 pounds-per-square inch.

4. We began building and deploying Trident I (C-4) missiles with a range of 4,000 nautical miles compared to 2,600 nm for the Poseidon missiles and with greater yield and accuracy.

5. We have been building the new Trident submarines since 1974, with an intention of building 15-20 in total.

6. The U.S. began a program to deploy over 3,000 air launched cruise missiles.

7. We continued research into a longer-range, higher yield Trident II missile.

8. We spent hundreds of millions of dollars on extensive improvements to our B-52 bomber force to improve navigational accuracy, system reliability and the bomber's own defenses.

9. The U.S. began deploying the Mark 12-A warhead on 300 Minuteman III missiles, doubling the explosive yield of each warhead from 170 to 335 kilotons, and improving the kill probability against Soviet missile silos.

10. The U.S. began installing the improved NS-20 guidance system to increase the accuracy of the 550 Minuteman III missiles.

11. The U.S. made major improvements in the strategic command, control

and communications network to allow for rapid retargeting of missiles in 25 minutes for each missile and 10 hours to retarget the entire Minuteman force.

Despite the substantial strategic programs of the past decade, the Reagan Administration last October announced a significant expansion of our strategic forces (A summary of the strategic package prepared by the Council is listed in Table 2).

What will this tremendous $222 billion strategic program accomplish? It will add thousands of new warheads to our arsenal. We may catch up and surpass the Soviets in some statistical measurements. We will not, however, be any more secure. In fact, if we continue with all these programs, we are likely to be armed at a much higher level -- as will, no doubt the Soviets-- with a lessening of security by undermining nuclear stability. We will be able to destroy the Soviet Union even more times than before. And all of this to achieve a balance that has no rational basis.

ADMINISTRATION'S REFUSAL TO CONFRONT DIFFICULT ISSUES AND MAKE HARD CHOICES

The previous sections' enumeration of the planned nuclear weapons buildup points up the second major flaw in the Administration's program: namely, its unwillingness or inability to confront the hard choices that should be made to shape our defenses in the 1980's. This unwillingness to make choices is most glaring in strategic air weapons. The Administration is determined to procede with not one, not two, but three separate programs to add new weapons to our strategic air leg:

1. The air launched cruise missile program
2. The B-1B bomber
3. The Stealth Advanced Technology bomber

The cruise missile construction plus installation is estimated to cost $12-$13 billion; the B-1B program was then estimated at $22 billion in FY1982 dollars but certainly will be much higher; and the Stealth bomber will probably have a cost in the range of $30-$40 billion.

For the Administration to proceed with three major strategic air programs simultaneously is the height of fiscal and military folly. The B-1B is a particularly wasteful and ineffective weapon, with a limited strategic usefulness, available at a high cost. The Administration's difficulty in justifying this huge purchase last year can be seen by its constant changing of cost estimates, the date of availability of the Stealth bomber, and the end of the B-1B's penetrating ability into Soviet airspace.

A second glaring example of refusing to make the hard choice is the MX missile program. The Reagan Administration, to be sure, deserves a measure of credit for discarding Jimmy Carter's sprawling 4,600 shelter plan and for reducing the number of missiles to be deployed. When he rejected the Carter deployment plan, President Reagan candidly stated:

> We have concluded that these basing schemes would be just as vulnerable as the existing minuteman silos. The operative factor here is this: No matter how many shelters we might build, the Soviets can build more missiles, more quickly, and just as cheaply. (The President's official announcement of the strategic weapons package, October 2, 1981)

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Having gone half way, however, the President was not able to go the full distance and to admit that the justification for proceeding with the remaining MX missile plan was exceedingly weak. Rather than kill the program in its entirety, the President insists on spending $4.5 billion on the MX program this year while he continues to explore additional options -- now Dense Pack -- for the land-based missile despite the fact that some 30 options have already been studied and rejected over the past decade. The difficult decision honestly made would have been to accept the logic of his own rhetoric and to scrap the MX missile program altogether.

Instead, we now have a MX missile which is an orphan without a home. The MX program, first announced in 1979, now looks like this:

1. The 4,600 shelters have been cut back to perhaps 100.

2. The 200 deployed missiles have been reduced to 100.

3. The mobile deployment has been transformed into a static basing.

4. The MX will now replace some Minuteman missiles rather than Titans.

5. The superhardening of silos was announced and then unannounced.

6. Three new options were announced last year and now all three appear to have been abandoned.

What little remains should be eliminated. If this Committee supported deployment of a mobile missile system due to the vulnerability of our land-based missiles -- a dubious, highly theoretical vulnerability -- then placing 40 or 100 missiles in fixed silos makes even less sense. While the Senate Armed Services Committee eliminated the temporary deployment money, it is not clear if that decision will stick in conference.

Moreover, the revised MX deployment violates the original mandate expressed by Congress in the Conference report on the FY 1977 Defense Department Authorization bill reported June 28, 1976:

> The rationale behind the development of a new missile system (MX) is to provide a land based survivable strategic force. The development of an alternate basing mode as opposed to a fixed or silo based mode is the key element in insuring this survivable force. The conferees are in agreement that providing a survivable system should not be constrained for silo basing; that none of this programs' funds shall be expended in fixed or silo basing for MX."

Yet now we have come to a point where the temporary system now being considered was specifically rejected by Congress six years ago. It is also a system that Air Force Chief of Staff Lew Allen commented on October 29, 1981: "It does not guarantee us survivability."

A third failure to make hard choices can be seen by examining the major problems that confront the U.S. today. A short list of these problems include:

- How to decrease the threat of nuclear war;

- How to respond to the Polish military crackdown;

- How to counter the Soviet invasion of Afghanistan;

- How to resolve the El Salvador imbroglio;

- How to bring peace to the Middle East;

- How to restore NATO unity

- How to stimulate the faltering economy without setting off a new round of inflation;

- How to lessen our dependence on foreign energy sources; and

- How to improve the competitiveness of U.S. industry abroad.

Building an MX or a B-1B does not respond to any of these problems. In fact, it diverts resources that might better be spent to meet these challenges.

Total 5 year savings from killing the MX: $23.9 billion in budget authority
$19.8 billion in outlays

Total 5 year savings from killing the B-1B: $27.2 billion in budget authority
$23.0 billion in outlays

At a minimum, additional resources spent on conventional forces rather than strategic forces at least begin to meet some of these challenges, programs such as: ensuring that present forces are sufficiently equipped, improving personnel retention, easing skilled personnel shortages, improving the ease of maintaining existing weapons, bolstering the supply of spare parts, ensuring the supply of adequate ammunition for training purposes and for fighting, and increasing training time.

While additional money is slated for Operations and Maintenance in the FY 1983 budget, the Council believes that much more emphasis must be placed in these areas rather than on strategic weapons. We cannot afford -- and never could afford -- to splurge on all components of our forces simultaneously We must make the hard assessments on which needs are the most pressing.

ADMINISTRATION DECISION TO PRODUCE DANGEROUS AND DESTABILIZING WEAPONS

A third critical flaw in the Reagan strategic program is the continued pursuit of a number of weapons programs that do more to threaten than to bolster our national security.

The MX, extensively discussed already, is one important example of this deficiency. The revised MX program would produce and deploy at least 40 missiles in silos that are every bit as vulnerable as our present Minuteman force -- if one accepts the fact that land-based silos are vulnerable to Soviet attack.

Whatever the vulnerability of the MX missile, each of its 10 warheads will have much greater capacity to target the Soviet land-based force. After 1986, we will have deployed missiles that our leaders perceive vulnerable to attack while the Soviet leaders are likely to feel that their land-based missiles are vulnerable to attack also. The Soviets will view the revised MX program as posing an increased threat to their missile force. Rather than produce a more stable nuclear balance, we will be further undermining the nuclear balance.

A second dangerous and destabilizing program is the proposed sea-launched cruise missile system (SLCM). The Administration wants to deploy several hundred nuclear armed sea-launched cruise missiles on our attack submarines beginning in 1984. That these missiles are only a minor addition to our strategic forces is tacitly admitted by Secretary Weinberger when he labels them no more than a "strategic reserve." (Posture Statement, p.III-59)

To obtain this so-called strategic reserve, we will get new missiles with a silo-busting capacity. Moreover, these cruise missiles can be built with both a conventional or a nuclear warhead, making verification of cruise missiles extremely difficult in any future arms control agreement.

A third potentially dangerous weapons program is the Trident II missile. If this new missile were only designed to increase the range of sea-based strategic forces, and thereby increase the operating room for our submarines, we would clearly be enhancing our deterrent force's survivability. However, the increased range appears to have been downgraded in favor of greater accuracy and payload. The Trident II thus becomes a new first-strike weapon.

CHEMICAL WEAPONS

Before moving on to a discussion of the Administration's arms control effort, I wish to highlight one of the smaller programs in this year's budget, although one certain to grow to the multi-billion level if allowed to continue.

There is a total FY 1983 request of $705 million for chemical weapons work, offensive and defensive, research, operations and maintenance as well as procurement (plus a small military construction component). I would urge the Committee to delete $54 million of that larger amount, the money that would enable the U.S. to resume production of lethal nerve gas weapons after a moratorium of 13 years initiated by President Nixon.

The House recently voted overwhelmingly to eliminate the $54 million by a vote of 251 to 159 but it is not at all clear that this decision will stick in the House-Senate conference. I am confident you do not wish to risk floor defeat on this issue by approving these funds.

The binary weapons program is another example of a program taken off the shelf by an Administration unwilling to distinguish between important and unimportant programs. There is little military utility to these chemical weapons; there is no need to build new weapons to add to our present stockpile; there are more useful military investments in other fields, or in chemical defensive work; and the deployment will certainly further undermine NATO unity.

The $54 million involved is only a tiny portion of the overall Pentagon request, but the program will have a larger future budget impact and grave political consequences beyond that $54 million. I urge this deletion.

A DEFICIENT ARMS CONTROL EFFORT

President Reagan has certainly moved a long distance on his nuclear arms control position in the last 18 months. Early in his term, he or his spokespersons were calling the Soviets liars and cheats not to be trusted and loosely talking

of nuclear warning shots and nuclear war in Europe.

As a consequence, the Administration has generated a massive movement in this country and abroad aimed at freezing and then reversing the nuclear arms race.

President Reagan has now responded to the political pressure by abandoning his bellicose rhetoric; by announcing that arms control is indeed a priority of this Administration; by finally coming to an internal agreement on an arms control position; by agreeing to abide by SALT I and SALT II limits as long as the Soviets do; and by announcing the beginning of START talks in Geneva June 29.

These changes of position certainly are welcome. This degree of flexibility in the face of a nationwide freeze movement indicates that the President will modify policy if the pressure is intense. Yet whether these modifications are merely rhetorical adjustments aimed at deflating the freeze movement or are designed to produce a serious arms control agreement remains seriously in doubt. Witness thes uncertain signals:

1. While the President now talks arms control, it is clear that he and the Pentagon are most interested in a nuclear weapons build-up, including the MX, the B-1B, Trident submarines and Trident II missiles, Pershing IIs and Ground Launched Cruise Missiles for Europe, and the rest. The Pentagon's recently revealed plans for a protracted nuclear war are only the most current example of the decision-making framework for the Administration.

2. The President has advanced arms control proposals which are aimed at the heart of Soviet nuclear strength while enabling the U.S. strategic weapons build-up to continue largely unhindered. Moreover, the proposal neglects strategic bombers and cruise missiles, the areas of a great U.S. lead. This lack of balance is not a formula for successful negotiations.

3. At a minimum, the negotiations as outlined are destined to last many years, enabling most of the nuclear weapons programs underway or planned to move toward completion.

4. The negotiating teams are led by people like Edward Rowny and Paul Nitze who have long been hostile to arms control agreements with the Soviet Union.

5. The top Administration leaders continue to believe that our nuclear forces are inferior to those of the Soviet Union, a position hardly conducive to compromise and agreement.

6. The Administration recently jettisoned the negotiations that had made considerable progress in ending all nuclear testing while fighting Senate Foreign Relations Committee-adopted language which mildly endorses not undercutting SALT agreements.

Thus it is more important than ever for the Congress and the public to keep the pressure on the Administration to negotiate seriously. The freeze movement, still in its infancy, has to press the call for an immediate, negotiated, mutual and verifiable freeze on the testing, production and deployment of new nuclear weapons. A limited agreement that takes anotner four or six years to negotiate will be too late and too deficient to cope with the threat of the nuclear holocaust that hangs over the planet.

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TABLE 2

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Legislative Director

November 1981

A BRIEF SUMMARY OF THE REAGAN ADMINISTRATION'S STRATEGIC WEAPONS PACKAGE

TOTAL COST OF THE STRATEGIC PACKAGE: $180 billion over 6 years in FY 1982 dollars, or $222 billion using the Reagan inflation figures. FY 1982 cost: $21.5 billion

AIR LEG OF THE STRATEGIC PACKAGE: $63 billion over 6 years to improve and operate the bomber force (in FY 1982 dollars)

1. B-1 bomber: 100 bombers to be built, initial operating capability in 1986 or 1987, new designation of B-1B, production scheduled to be completed in 1988, unrefueled range of 6,000 miles, refueled range of 9,000 miles, $22 billion cost in FY 1982 dollars or $28 billion using the Reagan inflation rates, FY 1982 request of $2.4 billion, will be able to penetrate Soviet air space until 1990 according to Weinberger.
2. Advanced Technology Bomber (ATB) or Stealth: Follow-on bomber to B-1, first deployment variously estimated for 1989 or 1990's, Northrop has contract and expects first test flight in 1984, cost estimated at $30-$40 billion.
3. Air launched cruise missiles: The U.S. is already in the process of deploying over 3,000 ALCM, including 20 each on 151 B-52 G&H bombers, plus additional ALCM on the B-1B bomber. Total program cost for the missiles is $5 billion plus $7-$8 billion for installation.
4. KC-135 aerial tankers: will be outfitted with new engines to increase the airborne refueling capabilities.
5. B-52D's: Early retirement of B-52D bombers.

SEA LEG OF THE STRATEGIC PACKAGE: $42 billion over 6 years to strengthen and operate the sea-based portion of the triad

1. Trident ballistic missile submarine: Continue building these submarines at the rate of 1 per year (down from 1½ per year) at least through 1987, 9 submarines authorized to date, uncertain final number although Navy would like at least 20, money for 1 Trident was cut from FY 1982 by Congress and by Administration, total program cost of Trident program over $30 billion or about $2 billion per sub, first Trident (the Ohio) has now been delivered to the Navy 2½ years late.
2. Trident I or C-4 missile: New missile to go into Trident submarine (24 per sub) and into 12 Poseidon subs, backfit of Trident I into Poseidon completed in 7 subs and will finish remaining 5 by September 1982.
3. Trident II or D-5 missile: Follow-on missile to Trident I, scheduled for deployment by FY 1989, will be larger so can carry more or larger warheads than Trident I and be more accurate, although with no greater range, will give submarines first-strike potential for first time.
4. Nuclear armed sea-launched cruise missiles: Hundreds of these Tomahawk cruise missiles will be added to attack subs, 12 cruise missiles per sub, deployment beginning in 1984.

LAND LEG OF THE STRATEGIC PACKAGE: $34 billion over 6 years to improve and operate land-based ICBM force

1. MX Missile: Current plan is to build about 200 MX missiles but to deploy only 100, the 4,600 shelter scheme in Nevada and Utah has been dropped, a first group of 18-50 missiles will be placed in existing Titan and/or Minuteman silos, cost of building missiles placed at $13.8 billion in constant 1982 dollars plus up to $7 billion for basing the first group of missiles, FY 1982 request of $1.9 billion, by 1984 make a decision on the basing of the rest of the missiles among three options: airborne missiles, deep underground missiles and/or ballistic missile defense, first group of missiles operational in 1986, second group unknown operational date.
2. Hardening silos: The Titan or Minuteman silos to receive the first group of MX missiles would be hardened to withstand up to 5,000 pounds per square inch (P.S.I.) as opposed to an average 2,000 p.s.i. for Minuteman missile silos.
3. Deactivate Titan missiles: All Titan missiles, which have the largest warheads in our missile inventory, will be deactivate as soon as possible.

COMMAND, CONTROL AND COMMUNICATIONS (C^3): $18 billion over 6 years to improve and operate C^3, including $2.1 billion in FY 1982

1. Deploy mobile ground terminals for processing data from warning satellites
2. Improve survivability of our satellites
3. Improve warning satellites and ground-based radars to give better estimates of Soviet missile attack
4. Build additional PAVE PAWS surveillance radars for detection of submarines to southeast and southwest of U.S.
5. Deploy E-4B airborne command posts to serve as National Command Authority
6. Harden EC-135 airborne command posts used by military commanders in the field against nuclear effects and upgrade communications
7. Install very low frequency/low frequency communications receivers on strategic bombers to receive orders
8. Upgrade communications to deployed submarines
9. Develop new satellite communications system using extremely high frequency channels

STRATEGIC DEFENSE: $23 billion over 6 years on strategic defense

1. Upgrade North American air surveillance network using a combination of new over-the-horizon Backscatter (OTH-B) radars and other improved radars
2. Replace 5 squadrons of F-106 interceptors with F-15s
3. Add 6 additional AWACS for North American air defense to be deployed in 1986 or 1987
4. Pursue operational anti-satellite system
5. Expand ballistic missile defense (BMD) research and development: $52 million added for FY 1982 to bring total to about $500 million
6. Expand civil defense
7. Develop technologies for space-based missile defense

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Most important for this Committee, Congress should not be trapped once again by the old shibboleth that no strategic weapons program can be stopped because of their potential use as "bargaining chips." The history of arms control negotiations is that once these "bargaining chips" are begun, they are virtually impossible to turn off. The cruise missile programs are the clearest example of this.

Moreover, a wasteful and useless program -- MX and B-1B -- remains a wasteful and useless program, no matter what label is given to it. Lastly, these talks are likely to take many years; delaying a termination decision until those negotiations are completed is likely to ensure construction of the weapon, no matter how useless. And the Soviets will respond in kind.

In summary, the Defense Appropriations Subcommittee should be willing to make the hard decisions and to terminate the MX program, the B-1B and the chemical weapons program. If you do not act this year, you will be forced to deal with the budgetary impact for years to come. Moreover, the Soviet Union will certainly respond in kind.

The end result will be a diminishing of our national security and the bringing of the world closer to nuclear destruction. If nothing else, with the higher level of arms, we risk nuclear war due to miscalculation or accident.

The only alternative that promises some hope is a freeze on the nuclear arms race to be followed by reductions in the levels of the current stockpiles. The negotiating process which should lead to a freeze is an extremely difficult one and fraught with uncertainties and tough decisions. But we have no other alternative if we want to spare our country and our civilization the horrors of nuclear war.

Biographical Information on John D. Isaacs

John D. Isaacs is presently Legislative Director of the Council for a Livable World as well as its Washington Director.

Previously, he served as principal foreign affairs Legislative Assistant to Rep. Stephen J. Solarz, Legislative Representative with Americans for Democratic Action and Foreign Service Officer assigned to the pacification program in Vietnam.

Recent publications include:

"The FY1981 Military Programs", The Bulletin of the Atomic Scientists, June 1980.

"Our Military Budgets", (with Dr. George Kistiakowsky), American Journal of Public Health, September 1980

"Reagan's Defense Budget", The Bulletin of the Atomic Scientists, May 1981

"Three R's of Arms Control: Reagan, Rostow and Rowny", The Bulletin of the Atomic Scientists, September 1981

"Instruments of War", a chapter with Dr. Kosta Tsipis in The Final Epidemic, 1981

"Defense Budget: Look But Don't Touch", The Bulletin of the Atomic Scientists, February 1982

"FY 1983 Military Budget," The Bulletin of the Atomic Scientists, April 1982

Best Available Copy

Mr. ADDABBO. Thank you very much for your testimony. Your statements are very informative.

Mr. ISAACS. We certainly hope to support the Chairman in whatever efforts he makes this year as he looks at the 1983 defense budget.

Mr. ADDABBO. You are getting conservative. A $10 billion?

Mr. ISAACS. That is what Congress is going to do at least. I would go beyond that. Perhaps we should pick up a line from what Congressman Dicks said before he left here. If we have a balanced budget amendment, an enforced balanced budget, it will force the reduction of $60 to $70 billion in defense. Maybe we should endorse the balanced budget for that purpose and see if that doesn't kill the thing.

Mr. ADDABBO. If that would be the result, maybe I would suport it. I doubt that that would be the result. I think the balance would be on the backs of the people and not the backs of the military.

Mr. ISAACS. I suspect you are right.

Mr. ADDABBO. Thank you very much.

We stand in recess until 1:30.

AFTERNOON SESSION

TUESDAY, AUGUST 10, 1982.

PUBLIC HEALTH SERVICE HOSPITALS

WITNESS

HON. BARBARA MIKULSKI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

DR. PATRICK MATTINGLY, PRESIDENT, WYMAN PARK HEALTH SYSTEM, INC.

JOSEPH CLARKE, VICE-CHAIRMAN, BOARD OF TRUSTEES, WYMAN PARK HEALTH SYSTEM, INC.

DR. RICHARD K. TOMPKINS, EXECUTIVE DIRECTOR, PUBLIC HEALTH HOSPITAL PRESERVATION AND DEVELOPMENT AUTHORITY, SEATTLE, WASH.

INTRODUCTION

Mr. ADDABBO. The committee will come to order.

As announced earlier this morning, many of the members of the subcommittee are now in the full committee where we are having a markup on two other appropriation bills. We have your statements, from all witnesses, which will be carefully reviewed by the members and staff prior to markup, which will be sometime in September, hopefully.

The fact the members are not here does not show a lack of interest, but again they have other commitments.

We have the largest list of outside witnesses the committee has had in many a year, over 70. We are trying to accommodate everyone in the time allocated. What we are asking each witness to do is limit their remarks to eight to ten minutes at most.

Their entire statements will be made part of the record and carefully reviewed by the members and the staff.

I am happy to welcome before our committee our esteemed colleague, Barbara Mikulski.

STATEMENT OF HON. BARBARA MIKULSKI

Ms. MIKULSKI. Mr. Chairman, I appreciate having the opportunity to appear before you today. My statement will be brief—as it is basically an introduction for Dr. Patrick Mattingly, Mr. Joseph Clarke, and Dr. Richard Tompkins who are appearing on this panel with me today.

These individuals have a first-hand, working knowledge of the importance of the uniformed services facility designation for the hospitals they direct.

They are the best people to talk about the importance of maintaining this designation for the Public Health Service Hospitals that have converted to community control.

I can give you, however, some of the legislative background to this issue.

I had a Public Health Service Hospital in my district of Baltimore, a hospital ably led by Dr. Pat Mattingly.

Last year, after President Reagan proposed cutting off all funding for PHS hospitals, I and a number of my colleagues worked very hard to give these hospitals a chance to transfer to community control.

Our efforts were successful, and Dr. Mattingly is now the President of the Wyman Park Health System, Inc., the successor hospital to the PHS facility.

Mr. Chairman, getting to that stage demanded intense negotiations, compromises, and commitments from all of the people involved in this effort. On the one hand, the Federal Government was trying to find the minimum amount of money it could give to these hospitals as transfer assistance.

On the other hand, this needed to be balanced against the minimum amount of money these hospitals could accept for transfer assistance and still survive.

I can truly say that everyone made superhuman efforts in these negotiations. I cannot impress upon you enough how the hospital directors on this panel were pressured again and again to come up with smaller and smaller transfer packages that could be acceptable to the Federal Government.

The final compromise was a combination of carefully balanced elements. A certain amount of outright transfer funds, a shortened timetable for transfer, a promise of receiving left-over funds from 1981, and assured revenues from the USF designation.

Each of these elements were critical for the success of the entire compromise package. I think the directors here with me today will be able to give you the best sense of what it will mean if the USF designation element of that package is withdrawn.

Before they discuss this issue, however, I would like to make an important point about the USF designation. While it was critical in the negotiations as a financial factor, it is critical to me because of its human factor.

In Baltimore, Department of Defense beneficiaries have been going to the PHS hospital for years. If Wyman Park Health System had no longer been designated as a USF, most of these people would have had to stop going to the physicians they had been seeing for years, and transfer to the next closest USF facility.

And, as is so often the case, the dependents of military personnel and retired personnel would have suffered the most. In normal circumstances, these individuals receive lowest priority for their treatment. If they would have been forced to transfer from Wyman Park, they would have had to wait longer for services, after traveling even further distances.

Mr. Chairman, I urge you to carefully reconsider any suggestion to remove the USF designation from converted PHS hospitals. I believe such a move would be contrary to the spirit of the negotiations held before the transfers, and would result in much discomfort to the many military beneficiaries served by these hospitals.

I thank you for your consideration.

Mr. ADDABBO. Thank you, Barbara. Fortunately, legislation has been able to give your hospital a three-year renewed life. Hopefully, within those three years the communities will be able to take over the support.

The Committee supports the designation. Our biggest problem is the cost and rates as compared to other military facilities in other medical programs. That is what we will be reviewing in our markup.

Ms. MIKULSKI. thank you.

Mr. ADDABBO. We will call Dr. Patrick Mattingly, President of the Wyman Park Health System, Inc., Mr. Joseph Clarke, Vice-Chairman, Board of Trustees, Wyman Park Health System, Inc., and Dr. Richard K. Tompkins, Seattle Public Health Hospital.

Your statements will be made part of the record. We would ask you to please keep it brief and summarize your statements.

The Committee also has several questions. This is a serious question as far as rates are concerned. We are going to put those into the record. We will give you a copy of them. Please answer them at your convenience.

Mr. ADDABBO. Mr. Clarke?

STATEMENT BY MR. CLARKE

Mr. CLARKE. I am Joseph Clarke, Vice-Chairman of the Board of Trustees of the Wyman Park Health System, Inc., the successor entity to the Public Health Service Hospital in Baltimore. With me is Dr. Patrick Mattingly, President of the Corporation. He was the Director of the facility when it was under the Public Health Service.

I am testifying because over 50 percent of the patients using Wyman Park Health System (WPHS) are sponsored by uniformed service agencies under the terms of our agreement with the Federal Government——

Mr. DICKS. What percentage?

Mr. CLARKE. Over fifty percent.

And the provision of the Jackson Amendment, Public Law 97-99 making us a uniformed services facility.

We are distressed by the speculative questions about the converted Public Health Service facilities being introduced as fact into the record of this Committee in House Report on fiscal year 1982 supplemental appropriations, H. Rept. 97-673.

Our distress is heightened since we recently hosted a group of representatives from offices of the Army and Navy Surgeons General, the Assistant Secretary of Defense for Health Affairs and this Committee at which these questions were discussed and, we thought, laid to rest.

I, therefore, welcome the opportunity to respond for the record and to permit this Committee to see a balanced picture of the issues being raised from the Baltimore facility perspective.

The three major concerns about the converted Public Health Service facilities raised by the Department of Defense include:

One. The process for setting rates at the institutions;

Two. The relative cost of care they provide;

Three. The control over the utilization of services of the facilities.

I wish to address each briefly.

HOSPITAL RATES

In Maryland, hospital rates are set by the Health Services Cost Review Commission, an agency which has established itself nationally as a leader in the containment of hospital costs.

This Committee's report, 97-673, recognizes such regulatory agencies as ensuring that in the setting of hospital rates, principles have been used that have been shown to be accurate and effective in controlling such costs.

In Maryland, the Commission has succeeded in lowering the rate of increase of hospital costs below that of other states. WPHS must obtain Commission approval for all its rates and rate changes through a process involving public hearings at which the uniformed services agencies along with other third party payors can represent their interests in testimony.

We have favored, from the outset, our using Commission charge-based rates for billing the Department of Defense rather than all-inclusive rates along with cumbersome exclusions provided at additional fees. Therefore, we feel that the issue of the effectiveness of rate setting is moot in our case.

The rate setting process of the Cost Review Commission also permits our costs to be compared to those at other Maryland hospitals.

The Commission's findings concerning Wyman Park's rates clearly indicate that our costs are well below those of other facilities.

They found that "the requested all-inclusive rate, including physicians' fees, is below the average per day payment by Blue Cross and Medicare to other Baltimore City acute hospitals."

Mr. DICKS. It is lower, did you say?

Mr. CLARKE. Lower.

COST OF CARE

In addition, the report went on to say that "The hospital's average length of stay appears reasonable . . ." thereby indicating that a savings in the daily costs would not be offset by an excessive length of stay.

In real terms, WPHS' cost per equivalent in-patient day without physicians ranks 37th of 39 hospitals at $317 per day.

Thus the cost of a patient receiving the same services WPHS provides at other Maryland hospitals using private physicians under CHAMPUS is greater to the Department of Defense, even considering the co-payment and deduction provisions of CHAMPUS.

CONTROL OVER UTILIZATION

As a means to control the utilization of expensive services, WPHS preserved the organizational model of the Public Health Service Hospitals: a closed-staff group of salaried physicians, with access to services controlled as in a health maintenance organization (HMO). This HMO model of providing services to the DOD population is currently being operated as a demonstration project by the Department in both Portland, Oregon and Minneapolis,

Minnesota and was cited in testimony presented by Acting Assistant Secretary for Defense, Health Affairs, Dr. John Beary, at hearings before this Committee just last week.

Our focus is on the utilization of the least expensive services such as ambulatory, primary and secondary care with controlled referrals for tertiary care to affiliated institutions.

Thus we provide the Department of Defense with greater cost control than CHAMPUS because our patients have fewer expensive hospital days; we reduce referrals for tertiary care by proper screening and evaluation; and we negotiate price with our referral affiliates, thus reducing the cost of referral services.

Continuation of this organized system of health care in Baltimore as a component of the military health care system represents a significant opportunity for the Department of Defense.

As Dr. Beary said in his testimony before you last week, "There are tremendous spirals in health care costs with which CHAMPUS and all third party health plans are grappling."

With CHAMPUS costs escalating at a rate of 16–18 percent currently and a large number of eligible beneficiaries in the area, mainly retirees, dependents and survivors, the Department must seek more effective means of cost containment beyond the limited capacity of military direct care facilities.

We welcome the challenge to continue working with the Department, using our unique program to provide continuity of care to Department of Defense beneficiaries in various ways, such as serving as a prepaid health maintenance organization or providing individual case-management.

We have expressed our desire to do so already in past meetings with the Department.

We would hope that the Department of Defense will continue to work constructively and openly with us, will examine our data objectively in comparison to other facilities and will be willing, if not anxious, to pursue more refined reimbursement mechanisms in the future.

[The statement follows:]

TESTIMONY

OF

JOSEPH CLARKE

VICE CHAIRMAN, BOARD OF TRUSTEES

WYMAN PARK HEALTH SYSTEM, INC.
BALTIMORE, MD.

SUBCOMMITTEE ON DEFENSE APPROPRIATIONS
U. S. HOUSE OF REPRESENTATIVES
AUGUST 10, 1982

My name is Joseph Clarke and I am the Vice Chairman of the Board of Trustees of the Wyman Park Health System, Inc., the successor organization to the Public Health Service Hospital in Baltimore. With me today is Dr. Patrick Mattingly, who is the President of the Corporation and was Director of the facility when it was under the Public Health Service. I am testifying because over fifty percent of the patients using Wyman Park Health System are sponsored by uniformed services agencies under the terms of our agreement with the federal government and the provision of the Jackson Amendment (P.L. 97-99) making us a uniformed services facility.

We are distressed by the speculative questions about the converted Public Health Service facilities being introduced as fact into the record of this Committee. (House Report on FY 1982 Supplemental Appropriations (HR 97-673).) Our distress is heightened since we recently hosted a group of representatives from offices of the Army and Navy Surgeons General, the Assistant Secretary of Defense for Health Affairs and this committee at which these questions were discussed and, we thought, laid to rest. I therefore welcome the opportunity to respond for the record and to permit this committee to see a balanced picture of the issues being raised from the Baltimore perspective.

The three major concerns about the converted Public Health Service facilities raised by the Department of Defense include:

(1) The process for setting rates at the institutions;

(2) The relative cost of care they provide;

(3) The control over the utilization of services of the facilities.

I wish to address each briefly.

In Maryland, hospital rates are set by the Health Services Cost Review Commission, an agency which has established itself nationally as

A LEADER IN THE CONTAINMENT OF HOSPITAL COSTS. THIS COMMITTEE'S REPORT (97-673) RECOGNIZES SUCH REGULATORY AGENCIES AS ENSURING THAT IN THE SETTING OF HOSPITAL RATES, PRINCIPLES HAVE BEEN USED THAT HAVE BEEN SHOWN TO BE ACCURATE AND EFFECTIVE IN CONTROLLING SUCH COSTS.

IN MARYLAND, THE COMMISSION HAS SUCCEEDED IN LOWERING THE RATE OF INCREASE OF HOSPITAL COSTS BELOW THAT OF OTHER STATES. WPHS MUST OBTAIN COMMISSION APPROVAL FOR ALL ITS RATES AND RATE CHANGES THROUGH A PROCESS INVOLVING PUBLIC HEARINGS AT WHICH THE UNIFORMED SERVICES AGENCIES ALONG WITH OTHER THIRD PARTY PAYORS CAN REPRESENT THEIR INTERESTS IN TESTIMONY. WE HAVE FAVORED, FROM THE OUTSET, OUR USING COMMISSION CHARGE-BASED RATES FOR BILLING THE DEPARTMENT OF DEFENSE RATHER THAN ALL INCLUSIVE RATES ALONG WITH CUMBERSOME EXCLUSIONS PROVIDED AT ADDITIONAL FEES. THEREFORE, WE FEEL THAT THE ISSUE OF THE EFFECTIVENESS OF RATE SETTING IS MUTE IN OUR CASE.

THE RATE SETTING PROCESS OF THE COST REVIEW COMMISSION ALSO PERMITS OUR COSTS TO BE COMPARED TO THOSE AT OTHER MARYLAND HOSPITALS. THE COMMISSION'S FINDINGS CONCERNING WYMAN PARK'S RATES CLEARLY INDICATE THAT OUR COSTS ARE WELL BELOW THOSE OF OTHER FACILITIES. THEY FOUND THAT "THE REQUESTED ALL INCLUSIVE RATE, <u>INCLUDING PHYSICIANS</u>, IS BELOW THE AVERAGE PER DAY PAYMENT BY BLUE CROSS AND MEDICARE TO OTHER BALTIMORE CITY ACUTE HOSPITALS." IN ADDITION, THE REPORT WENT ON TO SAY THAT "THE HOSPITAL'S AVERAGE LENGTH OF STAY APPEARS REASONABLE...", THEREBY INDICATING THAT A SAVINGS IN THE DAILY COSTS WOULD NOT BE OFFSET BY AN EXCESSIVE LENGTH OF STAY. IN REAL TERMS, WPHS' COST PER EQUIVALENT INPATIENT DAY WITHOUT PHYSICIANS RANKS 37TH OF 39 HOSPITALS ($317 PER DAY). WITH THE COST OF PHYSICIANS INCLUDED, WPHS STILL RANKS 17TH OF 39 HOSPITALS ($367 PER DAY). THUS, THE COST OF A PATIENT RECEIVING THE SAME SERVICES WPHS PROVIDES AT OTHER MARYLAND HOSPITALS USING PRIVATE PHYSICIANS UNDER CHAMPUS IS GREATER TO THE DEPARTMENT OF DEFENSE, EVEN

CONSIDERING THE COPAYMENT AND DEDUCTION PROVISIONS OF CHAMPUS.

AS A MEANS TO CONTROL THE UTILIZATION OF EXPENSIVE SERVICES, WPHS PRESERVED THE ORGANIZATIONAL MODEL OF THE PUBLIC HEALTH SERVICE HOSPITALS: A CLOSED STAFF GROUP OF SALARIED PHYSICIANS WITH ACCESS TO SERVICES CONTROLLED AS IN A HEALTH MAINTENANCE ORGANIZATION (HMO). THIS HMO MODEL OF PROVIDING SERVICES TO THE DoD POPULATION IS CURRENTLY BEING OPERATED AS A DEMONSTRATION PROJECT BY THE DEPARTMENT IN BOTH PORTLAND, OREGON AND MINNEAPOLIS, MINNESOTA AND WAS CITED IN TESTIMONY PRESENTED BY ACTING ASSISTANT SECRETARY FOR DEFENSE (HEALTH AFFAIRS) JOHN BEARY, AT HEARINGS BEFORE THIS COMMITTEE JUST LAST WEEK. OUR FOCUS IS ON THE UTILIZATION OF THE LEAST EXPENSIVE SERVICES SUCH AS AMBULATORY, PRIMARY AND SECONDARY CARE WITH CONTROLLED REFERRALS FOR TERTIARY CARE TO AFFILIATED INSTITUTIONS. THUS, WE PROVIDE THE DEPARTMENT OF DEFENSE WITH GREATER COST CONTROL THAN CHAMPUS BECAUSE:

(1) OUR PATIENTS HAVE FEWER EXPENSIVE HOSPITAL DAYS;

(2) WE REDUCE REFERRALS FOR TERTIARY CARE BY PROPER SCREENING AND EVALUATION; AND

(3) WE NEGOTIATE PRICE WITH OUR REFERRAL AFFILIATES, THUS REDUCING THE COST OF REFERRAL SERVICES.

CONTINUATION OF THIS ORGANIZED SYSTEM OF HEALTH CARE IN BALTIMORE AS A COMPONENT OF THE MILITARY HEALTH CARE SYSTEM REPRESENTS A SIGNIFICANT OPPORTUNITY FOR THE DEPARTMENT OF DEFENSE. AS DR. BEARY SAID IN HIS TESTIMONY BEFORE YOU LAST WEEK, "THERE ARE TREMENDOUS SPIRALS IN HEALTH CARE COSTS WITH WHICH CHAMPUS AND ALL THIRD PARTY HEALTH PLANS ARE GRAPPLING." WITH CHAMPUS COSTS ESCALATING AT A RATE OF 16-18 PERCENT CURRENTLY AND A LARGE NUMBER OF ELIGIBLE BENEFICIARIES IN THE AREA - MAINLY RETIREES, DEPENDENTS AND SURVIVORS - THE DEPARTMENT MUST SEEK MORE EFFECTIVE MEANS OF COST CONTAINMENT BEYOND THE LIMITED CAPACITY OF MILITARY DIRECT-CARE FACILITIES.

WE WELCOME THE CHALLENGE TO CONTINUE WORKING WITH THE DEPARTMENT, USING OUR UNIQUE PROGRAM TO PROVIDE CONTINUITY OF CARE TO DEPARTMENT OF DEFENSE BENEFICIARIES IN VARIOUS WAYS SUCH AS SERVING AS A PREPAID HEALTH MAINTENANCE ORGANIZATION OR PROVIDING INDIVIDUAL CASE MANAGEMENT. WE HAVE EXPRESSED OUR DESIRE TO DO SO ALREADY IN PAST MEETINGS WITH THE DEPARTMENT. WE WOULD HOPE THAT THE DEPARTMENT OF DEFENSE WILL CONTINUE TO WORK CONSTRUCTIVELY AND OPENLY WITH US, WILL EXAMINE OUR DATA OBJECTIVELY IN COMPARISON TO OTHER FACILITIES AND WILL BE WILLING, IF NOT ANXIOUS, TO PURSUE MORE REFINED REIMBURSEMENT MECHANISMS IN THE FUTURE.

Mr. ADDABBO. Please answer the following questions for the record.

[CLERK'S NOTE: Questions submitted by Mr. Addabbo and the answers thereto follow:]

Question. This Committee has encouraged the Department of Defense to seek alternative means of providing health care so as to control costs and utilization. I understand you feel that your facility can provide such an alternative. If so, how?

Answer. The Wyman Park Health System (WPHS) has continued the operational model of the Public Health Service Hospitals. It has a closed panel group of salaried-physicians who can case manage or broker services for their patients, placing controls on access to expensive services, and a network of affiliated institutions which supplement the services WPHS provides directly. This method of operating is similar to that of a health maintenance organization (HMO). It allows WPHS to function in the following ways to reduce the cost of health care and make it cheaper for the Department of Defense (DOD) to have its beneficiaries use WPHS rather than other facilities using CHAMPUS:

First, WPHS can provide its patients with a full range of services at the same time that it controls their access to expensive services such as specialty care and hospitalization through the case-management approach to care;

Second, because of its range of services and control mechanisms, WPHS can eliminate patients' "shopping" around for health care which is expensive and drives up CHAMPUS costs; and

Third, WPHS can arrange for the tertiary and other services it does not provide directly from its affiliated institutions with whom prices can be negotiated in advance.

In addition, WPHS' rates are well below those of other local hospitals as documented by the Maryland Health Services Cost Review Commission (testimony previously provided to the Committee).

WPHS can continue its cost-effective method of operating as a Uniformed Services Facility. It can also work with the Department of Defense to find alternative ways to provide care to DOD beneficiaries and is most willing to do so. These alternatives could include:

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First, being reimbursed on a capitation or pre-paid basis similar to a CHAMPUS demonstration HMO;

Second, receiving prospective reimbursement for some services, especially hospitalization; and

Third, expanding its role as a case manager for DOD patients; i.e. brokering services to ensure that they are both readily accessible to patients and provided at the lowest cost possible.

WPHS has already begun exploring these alternatives with the Department of Defense and welcomes a continuing dialogue with DOD.

Question. How many conversion fund dollars did the Baltimore facility receive? How have you used the funds?

Answer. WPHS received $9.3 million in conversion funds from the federal government. Of that amount, $300,000 was needed to bring the facility into minimal compliance with handicapped access codes. The money has been used primarily as operating capital to cover losses resulting from the disruption of operations during the conversion period. The remainder of the funds will be preserved to provide some of the renovations necessary to make the facility meet community standards for similar health care institutions.

Question. The Department of Defense thinks your rates are excessive, yet you feel you are cheaper than CHAMPUS. One way to settle this is to present DOD with itemized bills similar to those provided Blue Cross, etc. Do you object to this? The committee understands that this is what DOD and HHS have agreed to do in fiscal years 1982 and 1983. Will you cooperate?

Answer. Yes. WPHS is already using itemized charge-based bills for billing other third-party payors and is collecting the information requisite for doing so with the Department of Defense now. We are most willing to submit itemized bills to DOD, therefore, but we are also amenable to exploring other reimbursement mechanisms such as pre-payment or capitation.

Question. If you feel that you are cheaper than CHAMPUS, then there would be no adverse impact on your facility if you were placed under CHAMPUS cost controls. Do you agree?

Answer. The benefits that accrue to DOD by having patients use WPHS rather than CHAMPUS at other facilities occur in the following ways:

1. WPHS controls access to and use of expensive services, including hospitalization, thereby keeping down the overall use of CHAMPUS.

2. WPHS rates for hospitalization are lower than those at most other inpatient facilities in the Baltimore area (37th of 39 local hospitals).

Since WPHS already contains costs in these ways, if CHAMPUS controls were imposed on our already cost-effective system, WPHS could not operate effectively. WPHS could not cover its costs if CHAMPUS cost controls, which reimbursed us at 75–80 percent of our charges, were instituted. It would seem more reasonable, as well as cost effective, to consider instead setting an aggregate rate for services, for example, cost per admission, which took into account the average cost of such services to CHAMPUS at other institutions.

Question. As you know, the designation of the former public health facilities as uniformed services facilities ends in a little over two years. What specific steps are you taking so that at the end of this period you will not still be dependent upon Congress requiring by law that military dependents and retirees must go to these hospitals for treatment?

Answer. Should the USF designation be terminated, we would hope that the Department of Defense would work with us to develop an arrangement for our continued provision of care to DOD beneficiaries that is to the benefit of the patients, the Department and the facilities. We are most interested in assuring that patients continue to benefit from the continuity of and ready access to care the PHS Hospital provided and WPHS provides. Preliminary discussion between WPHS and DOD to this end have already occurred.

Question. The committee believes that new entitlements have been created since the former PHS facilities have become uniformed services facilities. For example, the availability of dental care from these private civilian PHS facilities is on an "as-demanded" bases, which means that military beneficiaries can appear at one of these facilities, demand dental treatment to which they are not entitled and DOD must reimburse the private facility for all of the costs because of the Jackson amendment.

Would you comment on this and also provide the percentage of total business done at your facility since the designation of uniformed services facility which would not be available under the CHAMPUS program?

Answer. There seems to be some misunderstanding about the types of services made available by the converted hospitals to DOD beneficiaries as well as to whom services are available. The Wyman Park Health System has not created any new entitlements. The facility is only preserving access to the same services, under the same restrictions, to the DOD population that was served by the PHS Hospital in Baltimore. We are making available that care to which DOD beneficiaries are already entitled.

[CLERK'S NOTE. End of questions submitted by Mr. Addabbo.]

Mr. DICKS. Mr. Chairman, I have some questions I would like to have answered for the record.

[CLERK'S NOTE. Questions submitted by Mr. Dicks and the answers thereto follow:]

Question. Is it fair to say that the uniformed services facility designation was a precondition to the successful transfer of your hospital to community control?

Answer. The Omnibus Budget Reconciliation Act of 1981, authorizing the transfer of the Public Health Service Hospitals, required successor organizations to continue providing the same level of services to the populations served by the hospitals and have "a reasonable expectation of financial viability". When Wyman Park Health System (WPHS) considered assuming control of the Baltimore PHS Hospital, it was clear that if the hospital were to be successful financially and to meet the Congressional mandate, it needed to be designated a Uniformed Services Facility.

Question. Follow-up point: Has closure/transfer of the PHS hospitals and clinics saved Government money even with transition assistance provided transferring facilities?

Answer. The closure of the PHS Hospital and Clinic System has certainly saved the federal government the millions of dollars required to operate the system—even considering the transition assistance provided to the converted facilities. Because the Baltimore facility operated by WPHS provides care—primarily hospitalization—at a cost below that of other hospitals serving CHAMPUS patients, and because it controls utilization of expensive services, it should save additional money for the federal government over the next few years. CHAMPUS data available to DOD should provide some indication about such savings.

Question. The department has testified that:

"Mr. Dube. For the same services the costs to the government in the in-service facility would be lower because there we would be incurring only the incremental costs. Theoretically and typically with respect to a CHAMPUS facility, or one of these Jackson Amendment facilities, the gross costs would be roughly the same to the extent they are operating in the same area and probably operating under rates approved by the same rate-setting commission.

"However, the costs to the government would be appreciably greater at the Jackson Amendment facility because the CHAMPUS deductions and co-insurance provisions would not come into play; there would be full reimbursement.

"So the cost of the government would be less in the case of a service facility; next CHAMPUS, then Jackson."

Is this the case? Please explain.

Answer. In considering the cost of care provided at the "Jackson Amendment" hospitals, particularly WPHS, several factors must be considered:

First, the cost of care at a service facility is borne by a Congressional appropriation which is not necessarily dependent on utilization or the cost effectiveness of care. In addition, the interagency rate by which the Department of Defense and the Public Health Service reimburse one another for services provided to each other's beneficiaries is not a reflection of the true cost of care. The rate does not include the cost of administration, for example, which is done centrally within DOD or DHHS. The appropriation subsidizes that cost.

Second, CHAMPUS costs, even with the deductions and co-insurance provisions, are not necessarily cheaper than WPHS rates since WPHS' rates, especially for hospitalization, are below those at other local hospitals. (WPHS ranks 37th of 39 Baltimore-area hospitals in its cost per equivalent inpatient day); and

Third, WPHS saves CHAMPUS funds not only because of its rates but also because it controls utilization of expensive services thereby helping to curb CHAMPUS use.

Question. The department has also testified that there is no agreement regarding rates charged by your facilities. I understand you've just concluded a five to six month negotiation process culminating in the execution of a contract. With whom did you negoti-

ate; what is the scope of the agreement; and does it provide flat fee rates?

Answer. WPHS negotiated with the Department of Health and Human Serivces (DHHS) in entering into an agreement for the transfer of the Baltimore Public Health Service Hospital. The document developed during the negotiation is entitled "Memorandum of Agreement Between the Department of Health and Human Services and the Wyman Park Health System, Inc. Regarding the Transfer of the Baltimore U.S. Public Health Service Hospital." That agreement covers numerous items related to the transfer of the facility including the:

First, responsibility of DHHS to serve as an intermediary between WPHS and DOD, to designate WPHS a Uniformed Services Facility and to transfer the deed and property to WPHS;

Second, rates and method of reimbursement to WPHS for services provided DOD and Public Health Service beneficiaries;

Third, amount of transition and other assistance given WPHS;

Fourth, payment for certain contracts and expenses incurred by the Public Health Service Hospital;

Fifth, resolution of certain personnel matters resulting from the transfer of the hospital;

Sixth, approval of existing leases for organizations occupying space at the hospital; and

Seventh, responsibilities of WPHS to DHHS and DOD.

The section concerning reimbursement does provide for flat fee rates for WPHS services.

Question. How are costs and utilization controlled under the contract and at your facility?

Answer. The Memorandum of Agreement (MOA) sets the initial rates charged DOD and PHS by WPHS. The agreement stipulates that beginning October 1, these rates, which were originally negotiated through DHHS, will be set by negotiations directly between. WPHS and the Department of Defense. WPHS rates, in general, are controlled by the Maryland Health Services Cost Review Commission.

Utilization of services by DOD beneficiaries is not controlled by the Memorandum of Agreement. Unlike the Public Health Services, DOD did not set utilization controls, such as pre-authorization, for certain services. WPHS, however, seeks to control utilization of expensive services by case managing patients (limiting their access to care) and by having affiliation agreements at negotiated rates with other institutions for services it does not provide directly.

Question. I note from your testimony that you appear to be willing to work with the Deprtment to resolve any problems. For the record, please clarify whether you are open to discussions regarding costs, utilization and payment?

Answer. We are open to discussion concerning the costs, utilization and payment for services at our facility. We have already had some prliminary discussions about these issues with the Department of Defense and expect and welcome additional conversations.

Question. For many years before the PHS hospitals transferred to community control DOD reimbursed HHS for some of the costs associated with the use of the PHS facilities by DOD personnel, dependents and retirees. Did the interagency rates used to calculate

reimbursement reflect the true costs of health care for these beneficiaries? Didn't HHS for years supplement DOD appropriation by charging less than was necessary to cover the costs of providing care to DOD beneficiaries?

Answer. The interagency rates set by the Department of Defense and the Public Health Service do not cover the true costs of health care provided to DOD and PHS beneficiaries. Those rates did not reflect a variety of costs generated in operating health care facilities including:

First, costs resluting from, for example, administrative activities at the central DOD and DHHS level related to hospital operation; and

Second, renovation and maintenance costs which were covered by supplemental allocations (non-budget) to the hospitals.

Question. During the negotiations why did the PHS hospitals not discuss the terms of the agreement to provide medical services to Federal health care beneficiaries with DOD? Wasn't it because DOD had delegated responsibility for the negotiations to HHS?

Answer. The Public Health Service Hospitals and the organizations to which they were transferred were not invited to discuss the terms of the Memorandum of Agreement directly with the Department of Defense. It was our understanding that the Department of Health and Human Services had such discussions with DOD and negotiated with us on behalf of DOD.

Question. Didn't the PHS hospitals offer to accept all-inclusive rates—as opposed to charges—for both the hospital and the physicials which would be established annually? Wouldn't this obviate the need for annual negotiations and assure an external, objective review of hospital costs by an independent, State regulatory agency?

Answer. The agreements WPHS entered into for the transition of the Baltimore PHS Hospital provided for reimbursement for services on the basis of all inclusive rates. By agreement with the Department of Health and Human Services, some procedures and services were excluded from the all inclusive rates and billed for separately.

Continuing to operate under all inclusive rates for DOD beneficiaries would not obviate our need for intermittent review by the Maryland Health Services Cost Review Commission. Within certain guidelines, that agency must review all rate changes and the differences in revenue generated by such changes.

Question. I understand that the hospitals have an outstanding record of controlling both utilization and costs. How do the average charges per hospitalization for CHAMPUS beneficiaries in comparable hospitals compare to charges at the Public Health Service hospitals?

Answer. Because WPHS rates are below that of other local hospitals and its length of stay is comparable, its cost per hospitalization must be less than that of other institutions. WPHS does not, however, have access to the CHAMPUS data at this time that would verify how much less expensive WPHS actually is. Over the next year, DOD will be able to ascertain that information as WPHS is paid through the same CHAMPUS mechanisms using the same data base as other Baltimore hospitals.

Question. Is the utilization of hospital services less at the public health hospitals than at comparable CHAMPUS hospitals? If so, by how much?

Answer. WPHS does not have the CHAMPUS data available to DOD which would document CHAMPUS utilization at other Baltimore health care facilities. WHPS does, however, operate differently than these hospitals because it has a salaried physician staff, controls on the utilization of inpatient services by patients, and agreements with affiliated institutions for services it does not provide directly. WPHS, therefore, does not offer any financial incentives for physicians to hospitalize patients, governs patient access to expensive services and offers care at other facilities at a rate below that which would be charged under CHAMPUS.

Question. How does the length of stay at the public health hospitals compare to the length of stay at similar CHAMPUS facilities?

Answer. The average length of stay at the Wyman Park Health System is similar to the average length of stay at other local hospitals serving patients under CHAMPUS. (Documented in testimony already provided to the Committee).

Question. Isn't it true that the range of services provided by the public health hospitals are specified in the contract negotiated by HHS on behalf of the Government?

Answer. The range of services provided by WPHS are specified in the Patient Care Agreement negotiated with DHHS.

Question. Are you (the hospitals) aggressively attempting to broaden your patient bases over the next few years?

Answer. While WPHS seeks to continue providing care to DOD beneficiaries and to meet the Congressional mandate in the Omnibus Budget Reconciliation Act of 1981 to do so, it is attempting to broaden its patient bases. These efforts involve, for example, offering special services such as occupational medicine, alcoholism detoxification, psychiatry and rehabilitation to appropriate populations such as employee groups, users of affiliated community health centers and agencies, and merchant seamen.

Question. What are the long-term benefits to DOD of maintaining the current USF designation and relationship between the hospitals and DOD?

Answer. There are a variety of benefits accruing to DOD with the continuation of the USF designation for the Wyman Park Health System. Among these benefits are continuity of care for DOD beneficiaries who utilized the PHS Hospital and are using WPHS; accessibility of care for DOD patients north of Baltimore who would have to travel 50–60 miles to a USF if WPHS were not available; and quality of care which comes from WPHS having experience with treating DOD beneficiaries and dealing with their health care procedures and system.

In addition, WPHS can provide a controlled system of care which enables patients to obtain a full range of services from a variety of institutions at a cost below that which DOD beneficiaries would incur if using CHAMPUS to obtain them. WPHS is among the lowest cost hospital in the Baltimore area, ranking 37 of 39 facilities for its cost per equivalent inpatient day.

Question. Are you committed to providing the highest quality of care to military personnel and retirees and their dependents at the lowest possible costs?

Answer. Provision of the highest quality care at the lowest possible cost is a main goal of WPHS. In order to ensure that this goal is met, WPHS has, and is expanding, its training and service affiliations with the Johns Hopkins Medical Institutions while controlling access to expensive services and hospitalization for its patients.

[CLERK'S NOTE.—End of questions submitted by Mr. Dicks.]

Mr. ADDABBO. Mr. Tompkins.

STATEMENT BY MR. TOMPKINS

Dr. TOMPKINS. Mr. Chairman, members of the subcommittee, I am Richard Tompkins, the Executive Director of the Public Health Hospital Preservation and Development Authority which is a public corporation chartered by the City of Seattle to own and operate the former U.S. Public Health Service Hospital in Seattle, which is now known as the Seattle Public Health Hospital.

I appreciate this opportunity to appear before the subcommittee and I have provided copies of a more lengthy statement than what I will make today.

Mr. Chairman, I want to stress three basic points in the testimony, in addition to attempting to respond to some of the detailed concerns raised about our uniformed services designation.

UNIFORMED SERVICES DESIGNATION

First, the designation was a cornerstone of the agreement between the public authority and the government providing for the transfer, as Congresswoman Mikulski pointed out.

Quite simply, we in Seattle, as our colleagues in the other cities, relied on the availability of this designation and it remains absolutely critical to our continued viability.

Second, the net cost to the government of providing care through the Seattle public health hospital—and also as you heard through the Wyman Park Public Health System—is less than it would be if our patients secured care through CHAMPUS at other Seattle facilities.

We have gone back and looked at the costs of our institution and compared them to the costs of CHAMPUS during 1981 in the Seattle area. Let me give you some indicative rates. For instance, in comparable Seattle hospitals, the average charges per hospitalization billed during 1981 was $4,560.

Mr. DICKS. That is under CHAMPUS?

Dr. TOMPKINS. Yes. The same bill we submitted during the first six months of 1982 was $2,967 for the same kind of patients.

CHAMPUS has a co-payment provision, as you know, and pays approximately 75 percent of charges which multiplying 75 percent of that, still leads to $3,420, which is $450 per admission higher than the total costs at the public health hospital.

Mr. DICKS. So you are providing the service at less money than the CHAMPUS facilities?

Dr. TOMPKINS. That is right.

UTILIZATION

The second thing I want to point out is the utilization issue is important. For example, in Washington State there are about 773 hospital days per 1,000 persons.

As an aside, the national average for those similar aged groups is 1,206 and approximately 3,889 per day per thousand per person over age 65; whereas the uniformed services beneficiaries served by the Seattle Hospital in 1982 occurred only 399 days per thousand, and the older aged group, those retired, accumulated only 431 days per thousand.

On top of that, the length of stay in our hospital, the amount of time patients spend in the hospital is the same basically as in the rest of Washington state, which is 5.83 as opposed to Washington state, which is 5.80 as compared to a national average of 7.6.

Not only are we providing care that is cheaper, controlling utilization in comparison to the other institutions in our own area, but as with the rest of the institutions in Seattle, and in Washington state in general, we are considerably below the national average.

Mr. DICKS. Why is that?

Dr. TOMPKINS. There are a variety of reasons in our case. I think the main reason is we operate as a comprehensive health system. We have a group of 75 physicians in a group practice that are significantly associated with the hospital, and, as a result of that, we are able to institute a variety of cost containment measures and utilization controls that most of the other hospitals are not able to do since their physicians are basically private entrepreneurs.

We also have a substantial stake in maintaining the low utilization, providing good care to our patients at low cost. Frankly, number one, we have a philosophic commitment to that, but more importantly, it is good business these days.

We intend to continue that tradition which has been there for many, many years. Obviously we hope the Defense Department will recognize the good deal they have got and work with us to do even better than we are doing.

Mr. DICKS. If you are doing exactly what you are saying, why is the Defense Department and the staff of this committee, raising questions? I have another word for it, but I will be gentle.

Dr. TOMPKINS. I am not entirely sure. I think a lot of it is related to a lack of communication. The original negotiations that led to the contract under which we are operating right now were negotiated by HHS on behalf of DOD.

DOD basically transferred the responsibility to Health and Human Services. So we have had absolutely no contact at all with the DOD people.

As a matter of fact, we didn't even know these concerns were there until they surfaced in the subcommittee some week or so ago.

We have dealt with the DOD people in our region on many, many occasions, continued use on a regular basis, as well as CHAMPUS intermediaries and are very happy to discuss concerns.

I think there is a lot of misinformation, a lot of inappropriate assumptions, and people are operating in a vacuum of knowledge.

[The statement of Dr. Tompkins follows:]

STATEMENT OF
RICHARD K. TOMPKINS, M.D.
EXECUTIVE DIRECTOR
PUBLIC HEALTH HOSPITAL
PRESERVATION & DEVELOPMENT
AUTHORITY (SEATTLE)

Mr. Chairman, Members of the Defense Appropriations Subcommittee, my name is Richard K. Tompkins and I am Executive Director of the Public Health Hospital Preservation & Development Authority (the "PHHPDA") a public corporation chartered by the City of Seattle, to own and operate the former U.S. Public Health Service Hospital in Seattle, now known as the Seattle Public Health Hospital. I appreciate this opportunity to appear before the Subcommittee and to provide testimony regarding the uniformed services designation that Congress provided to former PHS hospitals transferred last year to community control.

Mr. Chairman, in my testimony today I will stress three basic points, in addition to attempting to respond to what we understand to be some of the detailed concerns raised about our uniformed services designation. First, the designation was a cornerstone of the agreement between the PHHPDA and the Government providing for the transfer. Quite simply, we relied on the availability of the designation and it remains absolutely critical to our continued viability. Second, the net cost to the Government of providing care through the Seattle Public Health Hospital as a uniformed services facility is less than it would be if our patients secured care through CHAMPUS at other Seattle facilities. It certainly is cheaper than building and staffing additional new military facilities to serve these patients directly. Third, because our institution

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stresses primary care and preventive medicine, we will continue to be a cheaper and superior alternative. The prospect of using an institution such as ours to help CHAMPUS develop methods to hold down health care costs - methods that will be usefuly nationally - is something I would think this Subcommittee would find attractive. We are more than willing to cooperate.

As you know, when the hospitals were operated by the PHS they were uniformed services facilities serving active duty personnel, dependents and retirees. In the case of the Seattle hospital, alternative military facilities in the Puget Sound area have been either too busy with active duty personnel (as in the case of Madigan Army Medical Center), or understaffed and inaccessible (as in the case of the new Navy hospital at Bremerton) to serve many of these persons. For many years, the Department of Defense ("DOD") reimbursed the Department of Health and Human Services ("HHS") for some of the costs associated with the use of PHS facilities by DOD personnel, dependents and retirees. The interagency rates used to calculate reimbursement did not reflect true costs - indeed, HHS for years supplemented DOD's appropriation by charging less than was necessary to cover the costs of providing care to DOD beneficiaries. Additionally, the PHS hospitals served their other traditional beneficiaries including the Merchant Marine and fishermen and Native Americans. Some hospitals, particularly Seattle and Baltimore, had implemented a legislative

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authorization to provide care to the medically underserved in the general population. In Seattle, the Public Health Hospital continues to serve as the referral hospital for 19 community primary care clinics located throughout the City. All in all, just prior to transfer, we provided care to approximately 20,000 uniformed services beneficiaries; to 27,000 other federal beneficiaries (including Native Americans and merchant seamen); and to 10,000 others, principally through the community clinics.

In deciding to close the PHS hospital and clinic system, the Administration held out the possibility of transferring some of the facilities to community control. Although the State of Washington and the City of Seattle were determined that the hospital not close, the immediate prospects of acquiring and operating it on a self-sustaining basis were dim for several reasons. First of all, the physical plant is old and was not particularly well-maintained by its Federal stewards since the Federal Government was under no obligation to maintain the facility in compliance with state and local codes or licensure standards. To bring the facility into compliance and to upgrade it to meet the minimal standards of other Seattle hospitals may cost close to $50 million. Secondly, there have been major costs related to the corporate reorganization required by the transfer (for example, the hospital had to develop and implement financial systems to allow it to bill for its services). Finally and perhaps most fundamentally, the hospital simply could not expect

to keep its doors open without having a stable patient base at least for long enough to enable it to broaden that base and become a fully functional community hospital. The local community also felt an obligation to find a way in which the hospital could continue to serve its traditional patients who are dependent on the hospital and who fought so hard to keep it open.

Negotiations were conducted between the fledgling PHHPDA Council (who were assisted personally by our Senators and Congressmen) and very senior members of the Administration, including the Director of the Office of Management and Budget personally. Basically, the PHHPDA agreed to accept substantially less funding than would be needed to assume responsibility for the institution in exchange for certain other concessions, including continuation of the uniformed services designation. The Congress provided funding for the agreement and authorized continued uniformed services designation for transitioning hospitals.

Mr. Chairman, the Government pursued termination of the PHS hospital and clinic system in order to save money. Even with the transfer of some facilities to communities at some cost in FY 1982, that objective was achieved. I would ask that the Committee bear this fact in mind as it reviews the cost of the continued uniformed services designation.

When the Administration proposed and the Congress authorized in the Omnibus Budget Reconcililation Act of 1981 the transfer of

some of the PHS facilities to community control, one condition for the transfer required in the legislation was the demonstrated ability and commitment to continue to provide care to persons entitled to Federal health care benefits. Although we were anxious to continue to care for the hospital's traditional patients, it was clear that such care could only be provided at rates consistent with the costs incurred by the hospital operating as a non-Federal institution. Additionally, the Seattle Public Health Hospital rates are set annually by the Washington State Hospital Rate Commission and we cannot deviate from these rates. Obviously, prior to transfer, the PHS hospital was not subject to the jurisdiction of the Commission.

Following transfer in November 1981, in order to comply with the Omnibus Reconciliation Act and the transfer documents, we engaged in a protracted negotiation with officials of the Department of Health and Human Services on an agreement to provide medical services to federal health care beneficiaries, including those under the auspices of the Department of Defense. At no time during those discussions did we discuss the terms of the agreement with DOD representatives because DOD had delegated responsibility for the negotiations to HHS. In the late spring of this year, we finally concluded negotiations and executed an agreement. Only recently, in the context of testimony provided this Subcommittee, have we been made aware of concerns within the

Defense Department about the terms of the agreement. I am convinced that DOD's concerns are based, to a significant extent, on misunderstandings, lack of information, and unjustified assumptions that would have been clarified with adequate communication.

My understanding is that DOD is concerned about the following issues:

1. Negotiation of Rates: All hospitals in Washington State are required to set their rates annually in accordance with the Washington State Hospital Commission regulations. This has been shown to be an extremely effective mechanism to control costs. In our negotiations with HHS, we offered to accept all-inclusive rates - as opposed to charges - for both the hospital and the physicians which would be established annually using the Commission's methodology, thus obviating the need for annual negotiations and assuring external, objective review of our costs by an independent, State regulatory agency. This offer was accepted by HHS but, at the eleventh hour, modified in favor of "usual and customary charges" for physicians. I understand that this change in position was demanded by the Defense Department.

2. Control of Costs and Utilization: The Seattle Public Health Hospital has an outstanding record of controlling both utilization and costs. For example, the average charges per hospitalization for CHAMPUS beneficiaries in comparable Seattle hospitals is $4,560 as compared to $2,967 at the Public Health Hospital. CHAMPUS pays, on the average, 75% of the billed

charges or $3,420 which is still $450 per admission higher than the TOTAL costs at Public Health.

Utilization of hospital services is also substantially less at the Public Health Hospital: for example, in Washington State there are 773 hospital days per 1,000 persons (the national average is 1,206 days/1,000 and 3,889 days/1,000 for persons over 65 years of age) whereas the uniformed services beneficiaries served by the Seattle Public Health Hospital incur only 399 days/1,000 (retired persons 431 days/1,000, active duty 316 days/1,000). And the length of stay in our hospital is 5.83 days which is comparable to the Washington State norm of 5.80 (the national average is 7.6 days).

3. Contracts With Other Civilian Hospitals: The range of services provided by the Seattle Public Health Hospital is specified in the contract negotiated by HHS on behalf of the Government. In some cases, diagnostic services are obtained at other facilities, but the full cost of these is included in the negotiated rates. Thus the hospital is at risk financially for the services obtained at other hospitals, providing a large incentive to control costs. If the hospital refers patients to other institutions for services it cannot provide and which are not covered in the contract, then CHAMPUS regulations and procedures for payment come into effect.

Mr. Chairman, quite frankly, it would be difficult to overestimate the importance of the uniformed services designation

to our hospital. It not only was a fundamental, cornerstone component of the transfer agreement but it provides a solid funding base for a critical component of our patient load. This is not saying that we intend to remain dependent upon it forever. In fact, we have launched an aggressive marketing program to substantially broaden our patient base in the immediate years ahead. However, to pull this rug out from under us at this point would severely jeopardize our viability.

Although, as I have pointed out, we differ with DOD about the impact of the contract negotiated for implementation of the designation, I also would like to suggest some potential long-term benefits to DOD in retaining this relationship. First, use of these civilian uniformed services facilities should reduce the need to construct expensive new military hospital facilities. The per diem cost at military health care facilities does not reflect the cost of the construction, other capital expenditures or many administrative support services and once you factor these in, I believe our rates would be comparable. Also, use of civilian facilities may reduce CHAMPUS expenditures in the areas where the facilities are located. Although our experience covers only six months of operation, the data from Seattle suggest that the former PHS hospitals may deliver health care to military dependents more cheaply than could be provided under CHAMPUS. Finally, not only are we more than willing to discuss the terms of the existing medical services agreement, but we also will explore with DOD

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other cost-control mechanisms which may ultimately produce additional savings for the CHAMPUS program in our area. I am thinking about pre-paid or health maintenance organization type arrangements or other risk-sharing methods which we could help DOD design and test and which could be used by CHAMPUS elsewhere in the nation. Many of these offer both the Government and the patient substantial benefits not consistently available in typical fee-for-service medicine.

In closing, Mr. Chairman, allow me to reiterate our sincere desire to provide high quality health care to military personnel and retirees and their dependents at the lowest possible cost. If DOD is discontent with the terms of our contract, let us work with them to address their concerns. We have had barely six months' experience with the designation to date. It seems to me that the Committee would be willing to give something of such grave importance to us an opportunity to work for all interested parties before taking steps prematurely that would threaten our very existence. Thank you, Mr. Chairman, Members of the Subcommittee.

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SPECIAL EDITION SEATTLE PUBLIC HEALTH HOSPITAL EXTRA

Why is a nice little hospital like ours running full page ads?

On Wednesday, August 18th, we're publishing a full-page ad about ourselves in the Seattle Times. The same ad will run in the Weekly that day, and in the Beacon Hill News/South District Journal one week later.

If you'd like to see what the ad looks like, peek at the spread inside.

Already a number of questions are cropping up as we prepare for this bold move. Obviously, the first question is, why are we running ads? There are many more that follow...such as: "Is it appropriate for hospitals to advertise?" "Are we ready to launch into a full-blown marketing effort?" "Can we deliver what we promise?" "What will the professional community think?" There are many others.

But the first question, of course, is the vital one. And here are some answers.

WE'RE DOING IT BECAUSE

1. It's time people knew what became of us since last November, what's happening here, where we're going, whate we plan to do.

2. And we learned as a result of our participation in "Health Fair" in May, people don't know, for the most part, that we're now open to the general public. It's time they did.

3. Our plans are, of course, to become a new and different kind of health care resource...to provide an option of sorts, something that falls between a traditional hospital and a "Group Health" type of HMO. We're a long way from having it all figured out, for sure...but we want people to know that we're definitely moving in that direction.

4. One very important reason for advertising now is this...it's time to stop talking and start doing. We've been in the planning mode since we cut the strings with the Feds. Sometimes planning can go on forever. So in a sense we can see that we're moving forward from planning into implementation, and --we hope--we'll take the giant step together into this new "public" level of operation.

WHAT WILL HAPPEN?

To be truthful about it, we're not sure what to expect. After all, we've never done this before. It's sure to generate some talk. It might even produce some new patients. Certainly we must be ready to respond to more people, new people. But on the other hand, we cannot expect a single ad, even one as dramatic as this, to change the whole picture for us. People are slow to change habits. We must assume that many of the families in the nwighborhoods we hope to serve already have long-standing relationships with health care sources that they are quite ready to stick with.

Our goal is to develop programs, convenience factors and special services which are improvements or additions to the care they get from other sources...and to get them to try us for these new reasons. Then, if we do a good job...if they like us...if they do see in us the advantages they're looking for...we have the chance to have them come our way on a more regular, frequent and committed basis.

IT TAKES MORE THAN ADS

The message in all that is that advertising, no matter how good, won't do it for us. The patients we'll need in order to build and maintain a successful operation over the years will come to us only of

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their own choice. We've got to become the place that people want to come to...the second time. Other hospitals get patients on a referral basis, from doctors. We've got to get patients to refer themselves our way.

The ad talks of some of the factors which determine consumer preference. Studies show that, over all, convenience is the primary decision factor in getting people to choose one source over another. And convenience is measured in so many ways-- location, hours, least amount of run around and red tape, the friendliness and responsiveness of providers, access to direct sources, etc.

And cost is important, even thought a large portion of medical costs are covered by third party insurers. The nation is becoming more concerned with increasing costs of medical care and we can expect more people to be cost-conscious from now on. One of our goals is to provide quality medical services...and present patients with smaller bills. We think that will become one of the strong advantages of our way of delivering medical care as our volume of services increases.

THE HUMAN FACTOR

Information, too, is what people want. They want to know what to expect when they get here (what they're "in for" when they come). They want to know what we're doing to them. They want, and now expect, to be treated as adults capable of understanding and participating in decisions about themselves and their bodies. One of our strong cards is the general commitment we all have to treating patients as human beings, with strong emphasis on their thoughts and feelings. This, to be very direct about it, is a strong marketing advantage we have over others.

So we're thinking in terms of "the marketplace" now, out of necessity. And we have all kinds of hard work and new adventures ahead. All those other questions...we still must deal with.

We do know that, from now on, we must think more in terms of selling ourselves to people than we ever have had to before. And given our inclinations and the changes happening in our profession at this time--we expect we'll be doing many "non-traditional" things in non traditional ways. Our intention, however, is to do things very well...with style. If we're going to be on the forefront of change as it relates to health care, we want to look very good in that out-front position.

There is no doubt about one thing, however. There's no question about our ability to deliver. We are already delivering everything that we offer, and then some. We are simply looking for opportunities to do more of it...for more people.

That's why we're running the ad!

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COSTS

Mr. ADDABBO. Let me ask you this: You have testified here that your costs are less than CHAMPUS. If your costs were placed under CHAMPUS cost controls, you would be better off?

Dr. TOMPKINS. No. If they are placed under CHAMPUS cost controls, we would have to raise our total costs, our total charges, in order to survive.

Mr. ADDABBO. Say CHAMPUS cost us $3,000 plus, you only charge $2,000, so if you had CHAMPUS you would have gotten $3,000.

Dr. TOMPKINS. No, because they pay 75 percent of that. If we were paid 75 percent of $42,000, we would be in serious financial problems.

Mr. ADDABBO. If we gave you a cost control of $3,000, what the others were charging, you would still get 75 percent.

Mr. DICKS. Why would we want to do that, Mr. Chairman? Why should we penalize them for doing a better job and charging the taxpayers less per stay by putting them under CHAMPUS, which would force them to do what the CHAMPUS people are doing?

That is charging us a lot more in order to get up to the 75 percent level? That is what is going on.

Mr. ADDABBO. As I say, we appreciate the testimony we received here. We are submitting questions for your response.

[CLERK'S NOTE.—Questions submitted by Mr. Addabbo and the answers thereof follow:]

Question. Mr. Dicks told this Committee last week that: "In exchange for this designation (the USF) and the assurance by the Administration, DOD and HHS that their financial viability would not be jeopardized later, the hospitals abandoned their requests for sizable Federal hospital conversion funds."

Yet, isn't it true that Seattle received some $26 million in conversion funds?

Have you reported back to anyone in the Federal Government as to how this money has been spent?

Answer. While the Seattle hospital received $26 million in conversion assistance, along with the other PHS facilities converting to community control, the amount appropriated is far less, actually less than half, the amount needed to bring the facility into compliance with state and local code and licensure requirements. The Seattle hospital was built in 1933 on land donated by the City of Seattle. The amounts spent on maintenance and rehabilitation through the years have been inadequate and provided on a fairly haphazard basis. As a federal hospital, the institution was never required to comply with the state and local life safety code and licensure standards. In accepting far less than the amount needed to thoroughly rehabilitate the facility, the public corporation chartered by the City of Seattle to own and operate the facility relied on a number of other conditions, of which the uniformed services designation and unrestricted use of the transition funds were key.

The public corporation, the Public Health Hospital Preservation & Development Authority (PHHPDA), has not "reported back to anyone in the federal government as to how this money has been spent." Of course, the PHHPDA is more than willing to do so and

would promptly respond to reasonable inquiries from the Department of Health and Human Resources, the General Accounting Office or any other appropriate agency. PHHPDA is a municipal corporation under Washington State Law subject to periodic audit by the independently elected state auditor and innumerable state constitutional and statutory provisions to guard against the misuse of public assets. The transfer documents obligate the PHHPDA to continuously use the property it received as a general health care facility for 30 years. As mentioned above, the capital and program development needs of the facility far exceed the Authority's available resources. Accordingly, the Council is engaged in a comprehensive planning process to determine how its limited resources should be spent. In the meanwhile, the $26 million has been invested and is being used to leverage and secure working capital borrowings; investment proceeds supplement Authority income.

Question. Regarding rates, can you explain why your inpatient rate has climbed from an all-inclusive $521 per day in December 1981 to a June 1982 rate of $509 plus physician fees (which will probably bring the total to at least $600)? The average of all five hospitals is $440.

Answer. All hospital rates in Washington State are established by the Washington State Hospital Rate Review Commission, an independent regulatory body with a proven track record of hospital cost containment. The variance you are concerned about developed because (1) the initial rates quoted reflected a preliminary budget based on our operation as a federal institution (an inadequate model) and (2) they did not reflect major one-time-only transition expenses such as development of accounting and billing systems.

The rates exceed those of the other form PHS hospitals in part because of the diverse nature of the hospitals. The Washington Commission classifies the Seattle hospital as a Peer Group VI hospital, the highest classification reflecting the broad range and sophisticated level of services it provides as a major teaching and research hospital affiliated with the University of Washington. Although these factors may result in higher rates, they also dramatically contribute to the quality of care provided by the institution.

However, I would hasten to stress that the rates charged are much less significant than the bottom line actual cost incurred. In our case, our sophistication and approach contribute to our dramatically lower utilization and shorter average stay, both of which reduce that bottom line cost to the government. The rates are also workload sensitive. As we recover from the trauma of the transition and our patient base grows, the rates will decline under Rate Commission regulation, presumably as early as calendar year 1983.

Finally, the Subcommittee should bear in mind that our rates are below the median of those charged by comparable Washington State hospitals.

Question. Regarding dental visits, do you charge the full out patient rate of $77 plus professional charges for each dental visit, regardless of what is done?

Answer. Yes.

Question. Why did this rate go from an all-inclusive $79 to $77 plus professional charges? (Brings total to over $100)

Answer. Please see my above answer.

Question. The Department of Defense thinks your rates are excessive, yet you feel you are cheaper than CHAMPUS. One way to settle this is to present DOD with itemized bills similar to those provided Blue Cross, etc. Do you object to this? The Committee understands that this is what DOD *and* HHS have agreed to do in fiscal years 1983 and 1984. Will you cooperate?

Answer. Of course we will continue to cooperate in providing whatever information seems reasonably useful. In fact this is what we are doing under the present arrangement with the Department of Health and Human Services.

Question. If you feel that you are cheaper than CHAMPUS, then there would be no adverse impact on your facility if you were placed under CHAMPUS cost controls. Do you agree?

Answer. Although logically this would appear to be a question easily answered in the affirmative, the answer is a definitive "no." our methods of controlling costs already are demonstrably superior to CHAMPUS. Because the full nature and impact of "CHAMPUS cost controls" are not clear to us, we would reserve further response to this question for now. We would be more than happy to work with the new DOD intermediary to make improvements in cost controls which seem necessary and appropriate. Nevertheless, we would be skeptical of tampering with a system already demonstrably more cost-effective than CHAMPUS.

Question. As you know, the designation of the former Public Health facilities as uniformed services facilities ends in a little over two years.

What specific steps are you taking so that at the end of this period you will not still be dependent upon the Congress requiring by law that military dependents and retirees must go to these hospitals for treatment?

Answer. First of all, the Jackson amendment provided that the uniformed services facility designation could be terminated after three years, not that it had to be ended. As we see it, if we are as successful as we expect to be in delivering quality care in a comparatively cost-effective manner, it would be in the interest of the government to continue the designation. Nevertheless, we are not counting on its continuation. We have launched an aggressive marketing campaign to substantially broaden our patient base beyond traditional beneficiaries. We also are exploring a number of mechanisms like the health maintenance organization which we may implement in the not too distant future.

One important criteria in the development of such mechanisms is that the continued ability of the hospital and its affiliated physicians to care for our traditional patients, for whom we remain their preferred provider.

Question. The Committee believes that new entitlements have been created since the former PHS facilities have become uniformed services facilities. For example, the availability of dental care from these private civilian PHS facilities is on an "as-demanded" basis, which means that military beneficiaries can appear at one of these facilities and demand extensive dental treatment to which they are not entitled and DOD must reimburse the private facility for all of the costs because of the Jackson amendment.

Would you comment on this and also provide the percentage of total business done at your facility, since the designation of Uniformed Services Facility, which would not be available under the CHAMPUS program?

Answer. The designation has not created new entitlements. Only availability has changed in the case of certain services like dental care which are hard to obtain at in-service facilities because of higher priority demand. In no case are we providing services to anyone who is not otherwise entitled to them under existing regulations.

[CLERK'S NOTE.—End of questions submitted by Mr. Addabbo.]

Mr. DICKS. Mr. Chairman, I ask unanimous consent to ask the witnesses a number of questions.

I know we are on a tight schedule, but I would like to ask them to answer those questions for the record so when we get to the markup we will have a fair presentation and complete record.

Mr. ADDABBO. Without objection.

[CLERK'S NOTE.—Questions submitted by Mr. Dicks and the answers thereto follow:]

Question. If USF funding was reduced from current levels, what would the effect be on our hospital and the quality of care it provided?

Answer. This is a question of degree. A major reduction in uniformed service facility support would certainly imperil the immediate viability of our facility. At the moment, we estimate that approximately 50 percent of our patients receive care on this basis.

Question. Have the hospitals and the Department of Defense met to discuss methods of reducing health care costs to the Department of Defense? What were the results of these discussions?

Answer. The Department of Health and Human Services convened one meeting between representatives of the hospitals and the uniformed services about a mongh ago to review the Department of Defense's plans to contract with one of its CHAMPUS intermediaries to administer the medical services agreement which implements the designation. Other than this administrative discussion, no meetings have occurred. At that meeting, however, we indicated our willingness to explore methods of holding down costs. Indeed, we are anxious to do so.

Question. Are you supportive of helping to reduce the costs to the Government of providing health care to USF/military beneficiaries? If so, how would you propose to accomplish this and at the same time continue the quality of care you provide to military and non-military patients?

Answer. Yes. At the outset, we can assure the Subcommittee that we would not pursue anything which would jeopardize the quality of care provided. In fact, it is doubtful whether we would be allowed to do so because we are carefully regulated. Because of the way we operate at present, we already are very close to being a de facto health maintenance organization. We also have a demonstrated commitment to primary care and preventive medicine. This accounts for our relatively low utilization and relatively shorter inpatient stay. We would hope to strengthen this commitment to the way in which medicine is practiced in our hospital. We are exploring a number of structural innovations including the establishment

of a health maintenance organization and are also receptive to demonstrating prepayment and other means of risk-sharing which also will reduce costs. We believe that through such innovation we can not only further improve our cost-effectiveness to the government but also provide meaningfully superior care to our patients and help stabilize the institution.

Question. The Subcommittee has received some rather startling health care cost figures for USF's from the Department of Defense, can you tell the Subcommittee what services you provide and the costs for those services?

Answer. The following chart and explanation describe the services provided under our uniformed services designation and the rates we negotiated with the Department of Health and Human Services. The rates negotiated for this agreement are as follows:

	Dates of Service			
	Oct. 1, 1981–May 31, 1982		June 1, 1982–Dec. 31, 1982	
	Outpatient	Inpatient	Outpatient	Inpatient
Institutional rate	$77	$509	$77	$509
Professional rate	15	98	(1)	(1)
Pharmacy rate			(1)	
Total rate	92	607	(2)	(2)

[1] Charges.
[2] Not available.

FOR THE PERIOD OCTOBER 1, 1981–MAY 31, 1982

The facility shall be entitled to the total inpatient rate for every day a benefiticary is hospitalized, and the total outpatient rate for every outpatient visit by a beneficiary under this agreement. (The date of admission shall be counted as a day of hospitalization, but not the day of discharge.) These rates apply to all services provided to beneficiaries other than the exclusions to those services listed in Appendix A.

FOR THE PERIOD JUNE 1, 1982—DECEMBER 31, 1982

The facility shall be entitled to the inpatient institutional rate for every day a beneficiary is hospitalized and the outpatient institutional rate for every outpatient visit with a beneficiary seen under this agreement. These rates apply to all services provided to beneficiaries other than: those exclusions listed in Appendix A; inpatient and outpatient professional fees; and outpatient pharmacy visits. The exclusions, professional fees and outpatient pharmacy visits shall be reimbursed on the basis of usual and customary charges.

If during the period of the agreement, the Washington State Hospital Commission approves a revised rate for institutional services, the agreement will be modified to reflect the revised rate, effective for the same period for which the rate approved by the Commission is effective. Rates for inpatient and outpatient institutional services

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WHAT FAMOUS HISTORIC SEATTLE LANDMARK HAS TURNED ITSELF INTO THE CITY'S NEWEST FULL-SERVICE HEALTH CARE CENTER?

"What is that Place?"

For years that's been the question as people pointed to the graceful building high on Beacon Hill. Few were ever sure.

Some knew it was a hospital. "The Marine Hospital...", they'd call it, "...run by the government." But no more.

Thanks to some hard work by many people, this beautiful facility is now operating as a non-profit community medical center.

The doctors, nurses, medical technicians and administrators are working together...with double emphasis on the team approach...to offer what is now the newest, and one of the most comprehensive health care programs in town.

For instance, if you want a complete one-stop place for medical and dental care for the whole family ...and an opportunity to get to know someone as your own personal physician, let us introduce you to our Primary Care Program.

Or, if you're looking for a convenient, short-wait place to go for help, especially in a medical emergency, check into our Walk-In Clinic anytime...day or night.

Or if you prefer direct access to medical specialists...many, by the way, with national reputations in their fields...you can call to make direct appointments on a self-referral basis.

And in all this, here's our pledge: We want to make each visit as pleasant as possible...by being convenient for you...by paying attention to you and your needs first...by talking openly and directly with you...and by helping you to understand things that pertain to your personal health...in short, by delivering a lot of high-quality medicine in the most humane way.

One thing more. One of our goals is to find ways to lower actual health care costs. If you pay any of your own medical expenses, it's worth keeping in mind.

So come in anytime you need quick medical attention. Or call our appointment number (329-6061) to arrange complete care for your entire family. Or simply call or stop by if you'd like more information.

We're that familiar place on the hill. And still, for us, it's a fresh new start. But we're here to get you well and keep you well...and to do it all very well!

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shall be determined pursuant to the methodology described in Appendix C.

When such a revised rate is established, the facility shall submit to the Project Officer a copy of the original notification from the Commission within thirty (30) days of receipt. This notification shall be accompanied by a summary of all information submitted to the Commission by the facility in conjunction with the request for the revised rate. The facility will provide additional information contained in the submittal upon request.

The outpatient rate will be adjusted to the extent it is impacted by the revised rate for institutional services established by the Commission.

APPENDIX C

The calculation of unit costs for outpatient and inpatient facility rates shall be based on the methodology used by the Washington State Hospital Commission (WSHC), which approves the rate-setting budget for the Seattle Public Health Hospital and all other Washington hospitals.

WSHC approved the hospital's budget (not including professional services) in three distinct components: operating expenses, planned capital and service component (PCSC), and deductions from revenue. The former is based on a detailed reporting of expenses which are verifiable by audit; the latter two components are based on the hospital's future needs and past experience.[1]

To summarize, the rate-setting budgets for hospital services will be calculated using the following formula:

Rate Setting Budget equals Operating Expenses plus PCSC plus Deductions From Revenue.

To calculate inpatient and outpatient institutional rates, the rate-setting budget for the hospital is separated into inpatient and outpatient costs based on prior workload data and appropriate cost allocation:

Inpatient costs equals Costs times percent costs allocated to inpatients.

Outpatient costs equals Costs minus inpatient costs.

Cost per inpatient day equals Total inpatient costs divided by total inpatient days.

When outpatient pharmacy charges are paid on the basis of usual and customary fees, the institutional component of the outpatient visit rate is calculated as shown below.

Cost per outpatient visit equals total outpatient costs minus outpatient pharmacy costs divided by total outpatient visits minus outpatient pharmacy visits.

The total inpatient days and outpatient visits will be obtained from workload data of the year immediately preceding the WSHC annual review, except in the initial year when the workload data, and the allocation of inpatient and outpatient expenses will be estimated.

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[1] For 1982, deductions from revenue were estimated and then approved by WSHC; lack of operating experience prevented a more accurate calculation.

Question. Is it fair to say that the uniformed services designation was a precondition to the successful transfer of your hospitals to community control?

Answer. Absolutely. As I already pointed out, the PHHPDA Council accepted an elaborate, detailed and arduously negotiated agreement with the government for transfer of the hospital, of which the designation was one key component. It was accepted as being close to the very minimum they felt necessary to even have a chance of achieving viability. The Council is composed of highly respected business, professional and health care leaders and made the decision to accept the agreement in realistic appreciation of the importance of each component. Without the designation, I doubt whether the transfer could have been achieved.

Question. The Department has testified that "the cost of the government would be less in the case of an in-service facility; next CHAMPUS, then Jackson." Is this the case? Please explain.

Answer. No, this is not the case. We are definitely cheaper than CHAMPUS in the Seattle area. If one factored in the costs of capital, equipment and a considerable share of administration not currently attributable to the operation of military facilities, we may even be cheaper than these institutions as well. We certainly represent a cost-effective alternative to the construction and staffing of new military facilities to serve active duty dependents, retirees and their dependents. As I testified, the Seattle Public Health Hospital has an outstanding record of controlling both utilization and costs. For example, the average charges per hospitalization for CHAMPUS beneficiaries in comparable Seattle hospitals is $4,560 as compared to $2,967 at the Public Health Hospital. CHAMPUS pays, on the average, 75 percent of the billed charges or $3,420 which is still $450 per admission higher than the total costs at Public Health.

Utilization of hospital services is also substantially less at the Public Health Hospital: for example, in Washington State there are 773 hospital days per 1,000 persons (the national average is 1,206 days/1,000 and 3,889 days/1,000 for persons over 65 years of age) whereas the uniformed services beneficiaries served by the Seattle Public Health Hospital incur only 399 days/1,000 (retired persons 431 days/1,000, active duty 316 days/1,000). And the length of stay in our hospital is 5.83 days which is comparable to the Washington State norm of 5.80 (the national average is 7.6 days).

Question. The Department has also testified that there is no agreement regarding rates charged by your facilities. I understand you've just concluded a five to six month negotiation process culminating in the execution of a contract. With whom did you negotiate; what is the scope of the agreement; and does it provide flat fee rates?

Answer. Following transfer of the facility at the end of last year, we entered negotiations with the Department of Health and Human Services on a medical services agreement to implement the designation. For some time, it was unclear whether we also would have to negotiate with the Department of Defense. We were informed that HHS had been designated by DOD as its agent in the negotiations. Indeed, the agreement we finally signed late this spring specifically covered all the uniformed services. I will provide a copy for the record.

The contract provides for a flat rate for the so-called institutional component of the rates. The institutional component includes virtually all diagnostic and treatment services other than the physician's time. We also offered a flat rate for the other component, professional services, but this was rejected, we were told, at the insistence of the Department of Defense in favor of "usual and customary charges." In our opinion, it would have been cheaper for the government to have accepted the offered flat rate.

[The contract follows:]

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JUL - 9 1982
GOLDMARK & SCHORR

THIS REIMBURSEMENT AGREEMENT FOR SEATTLE PUBLIC HEALTH PRESERVATION AND DEVELOPMENT AUTHORITY CONSISTS OF:

1. SPECIAL PROVISIONS

ARTICLE I	STATEMENT OF WORK
ARTICLE II	REIMBURSEMENT AND BILLING
ARTICLE III	DESIGNATION OF PROJECT OFFICER
ARTICLE IV	DESIGNATION OF PROJECT DIRECTOR
ARTICLE V	RECORDS
ARTICLE VI	NONDISCRIMINATION IN SERVICES, BENEFITS, AND FACILITIES
ARTICLE VII	PRIVACY ACT
ARTICLE VIII	IRREVERSIBLE STERILIZATION AND THERAPEUTIC ABORTION PROCEDURES FOR PHS BENEFICIARIES
ARTICLE IX	PROHIBITION AGAINST THE USE OF HHS FUNDS TO PAY FOR COSTS OF INFLUENCING LEGISLATION
ARTICLE X	REPORTS OF INJURIES CAUSED BY ACCIDENTS OR NEGLIGENCE
ARTICLE XI	SCHEDULE OF CHARGES
ARTICLE XII	EFFECTIVE DATES
APPENDIX A	
APPENDIX B	
APPENDIX C	

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ARTICLE I - STATEMENT OF WORK

A. The facility shall provide, or arrange for, all necessary medical care (including consultations with specialists and hospitalizations) and dental care for the following PHS beneficiaries through the expiration of this agreement, as provided specifically by the terms of this agreement:

1. Commissioned Officers of the Regular or Reserve Corps of the Public Health Service on active duty;

2. Officers and enlisted personnel of the Coast Guard on active duty;

3. Active Duty Officers, noncommissioned ships officers, and members of the crew of vessels of the National Oceanic and Atmospheric Administration (NOAA), including National Ocean Survey (NOS), and retired members/dependents of the National Ocean Survey (NOS);[1]

4. Active duty and retired members of the former Lighthouse Service;

5. a) Merchant Seafarers, hospitalized in a PHS hospital as of September 30, 1981, and who require continued hospitalization or follow-up care related to such hospitalization for no more than 60 days after the person ceases to be an inpatient of the hospital; and b) Merchant Seafarers who are pregnant as of September 30, 1981;

6. Dependents of beneficiaries listed in A1, A2 and A3 above; and

7. Retired members and their dependents of the services listed in A1, A2, A3, and A8 and eligible dependents of deceased members;

8. Active duty members of the Army, Navy, Marines, Air Force and eligible dependents.

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[1] NOS retired noncommissioned ships officers and crew members who retired on or before July 19, 1963, or in continuous service aboard NOS vessels from July 19, 1963, until retirement are the only retirees eligible for care under this contract.

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B. It is the responsibility of each individual facility to assure the eligibility of each person to whom services are provided without charge. Care provided to persons who are subsequently proven to be ineligible for care will not be reimbursed. Uniformed services facilities customarily provide services to eligible beneficiaries on the basis of an official uniformed services identification card. Dependent children under 10 will normally not have one; parent's identification suffices for these dependents. Each facility should assure that it has a written procedure for verifying eligibility for services at Federal expense and that all appropriate employees are trained in the correct method of determining eligibility.

C. The facility shall provide or arrange for the following services to beneficiaries listed in A1 through A4 and A8, above, as provided specifically by the terms of this contract:

1. necessary and appropriate dental care (including prophylaxis and laboratory services);

2. necessary and appropriate primary ambulatory medical care together with adjunct diagnostic, therapeutic and specialized consultant services;

3. necessary and appropriate medical care in conjunction with required inpatient hospitalizations;

4. diagnostic services determining "fitness-for-duty" and "disability status" for active duty and aspiring members of the U.S.P.H.S., the Coast Guard and the National Oceanic and Atmospheric Administration (NOAA), in accordance with procedures to be supplied to the contractor. Narrative summaries describing the findings of "disability status" determinations shall be forwarded to the requesting official within seven days of the examination; and

5. pharmacy services in accordance with provisions contained in Appendix B to this contract.

D. Patients identified in A5 above shall only be provided care under this contract to the extent that it is directly related to the condition(s) which caused the Merchant Seafarer to have been hospitalized on September 30, 1981, or for the course of the merchant seafarer's pregnancy, including delivery and post-natal care until the infant is released from the hospital.

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Beneficiaries identified in A6, A7 and A8 shall only be provided care under this contract in accordance with C2, C3 and C5 above. Routine dental care for dependents is excluded from authorization under current Federal law unless the services are: any emergency dental care, any care that is a necessary adjunct to medical care, or preventive care.

This agreement provides for services at locations other than the uniformed service facility (as described in Appendix A), either emergent or non-emergent, only when these services are unavailable at the uniformed services facility and care is an integral part of the former PHS facility's treatment of a patient at its facility.

E. The facility may contract with other providers for delivery of care to patients which is not available at the facility and shall be responsible for payments to such other providers, as provided specifically by the terms of this agreement.

F. The facility shall designate a point of contact, through which the Project Officer may monitor and coordinate inpatient care for PHS beneficiaries requiring authorization.

G. The facility shall maintain a program of utilization review and quality assurance to assure the necessity and appropriateness of services provided under this agreement. This program shall be of at least the rigor and intensity of review of services provided to any other group in the hospital. Patient records of this program shall be reasonably open to inspection by the Government consistent with the provisions of Article IX - Privacy Act, of this agreement and accreditation and other generally accepted ethical standards.

H. The facility shall be operated in accordance with Joint Commission on Accreditation of Hospitals standards and shall maintain records in compliance with the Privacy Act, (5 U.S.C. 552a) and the Alcohol and Drug Abuse Treatment Records Regulations (42 C.F.R. Part 2), utilizing forms furnished by the Government for that purpose.

I. Professional discretion shall be exercised in identifying necessary services.

1. For active duty, the Department of Defense or United States Coast Guard beneficiaries, the facility is to notify the patient's commanding officer upon admission.

2. For PHS beneficiaries, the facility shall notify the PCC of any admissions. The facility may accomplish this by contacting the PCC within two (2) business days of the

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admission of a PHS beneficiary at 1-800-368-2777. For PHS beneficiaries, prior approval is required for any service which is listed in Appendix A of this agreement as an exclusion from the all-inclusive rate.

J. The facility shall notify the PCC within two (2) business days of disengaging any patient (i.e., temporarily or permanently relinquishing all responsibility for the care of any patient covered under the terms of this agreement due to the unavailability of needed services). Notification may be accomplished either by contacting the PCC at 1-800-368-2777 or by mail.

ARTICLE II - REIMBURSEMENT AND BILLING

Reimbursement for services provided in conjunction with Article I:

A. shall be based upon Article XIII - Schedule of Charges of this agreement;

B. shall be based on a system that provides for reimbursement to the facility on a timely basis; and

C. shall be based upon batch submissions of itemized bills, prepared in accordance with the formats that follow, representing services provided to outpatients or to discharged inpatients. Three copies of batched bills, which must specify the agreement number, should be submitted twice a month to the Project Officer listed in Article IV of the contract. Bills will be forwarded to the Finance Office for payment on the fifth (5th) and twentieth (20th) of each month. Each such submission shall contain valid bills, which are prepared properly. Five copies of a Summary Report of Patient Services for each facility visit and a Consolidated Workload Data Report shall accompany the submission. Formats for each of these reports must be provided for charges that are claimed.

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SUMMARY REPORT OF PATIENT SERVICES

1. Branch of service responsible for payment
2. Name of facility providing the service
3. Name of patient (last name, first name, middle initial)
4. Status of patient (e.g., active duty officer, retired, enlisted, dependent wife of active duty, dependent daughter of deceased). If the patient is a dependent, the entry should indicate whether dependent child, dependent wife, dependent mother, etc.
5. Name of sponsor (for dependents only)
6. Social Security Account Number of member (or sponsor if patient is a dependent)
7. Discharge diagnosis of patient (inpatient only)
8. ICDA-9 Code for discharge diagnosis (inpatient only)
9. Dates of care. For inpatients, the day of admission regardless of hour, should be counted as a patient day; the day of discharge should not be counted regardless of the time of discharge. For outpatients, indicate date patient received service. NOTE: Charges should only be submitted for discharged patients. Partial charges for inpatients will not be reimbursed under the contract.
10. Number of days of care (inpatient only) on which billing is based.

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CONSOLIDATED WORKLOAD DATA REPORT

(BY SERVICE FOR PHS, COAST GUARD, NOAA AND LIGHTHOUSE SERVICE PERSONNEL, RETIREES AND DEPENDENTS AND FOR MERCHANT SEAFARERS)

FACILITY _____

BRANCH OF SERVICE _____

DATES OF BILLING CYCLE _____

	Active Duty			Retired			To
	Officers	Enlisted	Dependents	Officers	Enlisted	Dependents	
Total discharge days							
Adjusted per diem rate 1/	-3.70		-6.30	-3.70		-6.30	
Reimbursement							
Outpatient visits							
Outpatient rates 2/							
Reimbursement							

Total inpatient days _____
Total inpatient reimbursement _____
Total outpatient visits _____
Total outpatient reimbursement _____
Total facility reimbursement _____

1/ Adjusted per diem rate is the all inclusive inpatient rate established for your hospital less the fees collected directly from inpatients. The charges currentl are:

All active duty and retired officer members	$3.70/day
All dependents	$6.30/day
All retired enlisted members	no charge

2/ Outpatient rate is standard for all beneficiary groups.

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ARTICLE III - DESIGNATION OF PROJECT OFFICER

The person identified below is hereby designated as the Project Officer for this agreement. The responsibility of the Project Officer (or his duly authorized representative) is to ensure that the Government's technical objectives are met. To this end the Project Officer will provide necessary information, direction, coordination, et cetera, within the work description.

Project Officer: John E. Marshall
Medical Facilities Conversion Staff
Office of the Assistant Secretary for Health
5600 Fishers Lane, Room 7-05
Rockville, Maryland 20857
301-443-1363

ARTICLE IV - DESIGNATION OF PROJECT DIRECTOR

The person identified below is confirmed to be the Project Director acting on behalf of the facility. In this capacity the Project Director shall direct the necessary work and services toward fulfillment of the requirements of this agreement. The Government reserves the right to approve any necessary successor to the Project Director.

Project Director: Henry F. Warden, III
Deputy Executive Director
Public Health Hospital Preservation
& Development Authority
P. O. Box 3145
Seattle, Washington 98114
206-324-7650

ARTICLE V - RECORDS

The Government will furnish the facility with copies of Public Health Service Hospital records for all patients who are eligible for care under this agreement. These records and all subsequent medical record material generated by the facility are a confidential records system and subject to restrictions contained in Article IX - Privacy Act of this agreement, and to accreditation and other generally accepted ethical standards.

Documentation of the medical and health care provided to PHS beneficiaries by contract professionals or hospitals/clinics must be adequate for continued care of the patient, to substantiate disability if indicated, to justify claims for services presented to the PHS and to verify eligibility of the individual for the care.

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Records of health care provided to PHS beneficiaries by professionals or facilities under this agreement shall be maintained. The facility shall provide the Public Health Service with the record or with an abstract/copy of the record (at the option of the facility when so requested by the Project Officer). The records provided to the facility at the date of transfer will be maintained consistent with the provisions of the transfer agreement executed by the DHHS and the facility.

ARTICLE VI - NONDISCRIMINATION IN SERVICES, BENEFITS, AND FACILITIES

The facility agrees to make no distinctions among patients under this agreement on the basis of race, color, creed, or national origin. For the purpose of this agreement, distinctions on the grounds of race, color, creed, or national origin include but are not limited to the following: denying a patient any service or benefit or availability of a facility; providing any service or benefit to a patient which is different, or is provided in a different manner or at a different time from those provided to other patients under this agreement; subjecting a patient to segregation or separate treatment in any matter related to his receipt of any service; restricting a patient in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; treating a patient differently from others in determining whether he satisfies any admission, enrollment quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or benefit; the assignment of times or places for the provision of services on the basis of the race, color, creed or national origin of the patients to be served.

ARTICLE VII - PRIVACY ACT

(a) The facility agrees:

(1) to comply with the Privacy Act of 1974 and the rules and regulations issued pursuant to the Act in the design, development, or operation of any system of records on individuals in order to accomplish an agency function when the contract specifically identifies (i) the system of records and (ii) the work to be performed by the contractor in terms of any one or combination of the following: (A) design, (B) development, or (C) operation:

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(2) to include the solicitation notification contained in this agreement in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation when the statement of work in the proposed subcontract requires the design, development, or operation of a system of records on individuals to accomplish an agency function; and

(3) to include this clause, including this paragraph (3), in all subcontracts awarded pursuant to this contract which require the design, development, or operation of such a system of records.

(b) In the event of violations of the Act, a civil action may be brought against the agency involved where the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency where the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act when the contract is for the operation of a system of records on individuals to accomplish an agency function, the contractor and any employee of the contractor is considered to be an employee of the agency.

(c) The terms used in this clause have the following meanings:

(1) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records including the collection, use, and dissemination of records.

(2) "Record" means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history, and that contains his name, or the identifying number, symbol or other identifying particular assign to the individual, such as a finder or voice print or a photograph.

(3) "System of records" on individuals means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

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ARTICLE VIII - IRREVERSIBLE STERILIZATION AND THERAPEUTIC ABORTION PROCEDURES FOR PHS BENEFICIARIES

A. The facility agrees to obtain prior authorization by the Patient Care Coordinator before performing any irreversible sterilization or therapeutic abortion procedures under this agreement.

B. Before performing such procedure, the facility must ensure that all Federal regulations and State regulations have been complied with.

C. The approved policy for sterilization consent pursuant to 42 C.F.R. § 50.201 shall be followed:

Forms HSA-83 (1-75) Consent for Sterilization Procedures will be used together with the appropriate one of the following booklets depending on the procedure used.

DHEW Pub. # (OS) 76-50017 (6/75)	Your Sterilization Operation - Laparoscopic Tubal Ligation
DHEW Pub. # (OS) 76-50073 (9/75)	Your Sterilization Operation - Postpartum Tubal Ligation
DHEW Pub. # (OS) 76-50028 (12/75)	Your Sterilization Operation - Vasectomy
DHEW Pub. # (OS) 76-50041 (7/76)	Your Sterilization Operation - Hysterectomy
DHEW Pub. # (OS) 76-50053 (5/77)	Your Sterilization Operation - Tubal Ligation

The above signed booklet is to be attached to the reverse side of HSA-83 in lieu of a narrative description. (Form HSA-83 and the booklets will be furnished by the PHS).

D. It will be the facility's responsibility to assure these requirements have been met. No PHS funds will be expended for these procedures if these regulations have not been adhered to.

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ARTICLE IX - PROHIBITION AGAINST THE USE OF HHS FUNDS TO PAY FOR COSTS OF INFLUENCING LEGISLATION

No part of any funds under this agreement shall be used to pay the salary or expense of any contractor, or agency acting for the facility, to engage in any activity designed to influence legislation or appropriations pending before the Congress.

ARTICLE X - REPORTS OF INJURIES CAUSED BY ACCIDENTS OR NEGLIGENCE

So that HHS may comply with the requirements of the Federal Medical Care Recovery Act (P.L. 87-693, 42 U.S.C. 2651-2653), the facility shall timely report to the Regional Attorney listed below all cases involving care and treatment of PHS Beneficiaries resulting from automobile accidents, slip and fall incidents, injuries arising from use of consumer products and any other circumstances indicating the potential liability of the third person for damages, including medical malpractice. The facility shall release to the Regional Attorney on request complete medical records (including x-rays and pathology slides) relating to such care and treatment and any other information (on forms to be supplied) necessary for the formulation of a Federal Medical Care Recovery Act Claim in favor of the United States:

Regional Attorney, DHHS
Patrick E. McBride
Arcade Plaza Building
MS 624
1321 Second Avenue
Seattle, Washington 98101

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ARTICLE XI - SCHEDULE OF CHARGES

The rates negotiated for this agreement are as follows:

	Dates of Service			
	Oct. 1, 1981-May 31, 1982		June 1, 1982-Dec.31,1982	
	Outpatient	Inpatient	Outpatient	Inpatient
Institutional Rate	$ 77	$ 509	$ 77	$ 509
Professional Rate	$ 15	$ 9	charges	charges
Pharmacy Rate	---	---	charges	---
Total Rate	$ 92	$ 607	N.A.	N.A.

For the Period October 1, 1981 - May 31, 1982

The facility shall be entitled to the total inpatient rate for every day a beneficiary is hospitalized, and the total outpatient rate for every outpatient visit by a beneficiary under this agreement. (The date of admission shall be counted as a day of hospitalization, but not the day of discharge.) These rates apply to all services provided to beneficiaries other than the exclusions to those services listed in Appendix A.

For the Period June 1, 1982 - December 31, 1982

The facility shall be entitled to the inpatient institutional rate for every day a beneficiary is hospitalized and the outpatient institutional rate for every outpatient visit with a beneficiary seen under this agreement. These rates apply to all services provided to beneficiaries other than: those exclusions listed in Appendix A; inpatient and outpatient professional fees; and outpatient pharmacy visits. The exclusions, professional fees and outpatient pharmacy visits shall be reimbursed on the basis of usual and customary charges.

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If during the period of the agreement, the Washington State Hospital Commission approves a revised rate for institutional services, the agreement will be modified to reflect the revised rate, effective for the same period for which the rate approved by the commission is effective. Rates for inpatient and outpatient institutional services shall be determined pursuant to the methodology described in Appendix C.

When such a revised rate is established, the facility shall submit to the Project Officer a copy of the original notification from the Commission within thirty (30) days of receipt. This notification shall be accompanied by a summary of all information submitted to the Commission by the facility in conjunction with the request for the revised rate. The facility will provide additional information contained in the submittal upon request.

The outpatient rate will be adjusted to the extent it is impacted by the revised rate for institutional services established by the Commission.

ARTICLE XII - EFFECTIVE DATES

This agreement shall be effective October 1, 1981, for DOD beneficiaries and on the date on which the successor entity assumed operations of the facility for PHS and Coast Guard beneficiaries. This agreement continues in effect until the authorities provided by PL 97-99 expire unless the facility and the federal government agree to some other service agreements for these beneficiaries.

Richard Tompkins MD /Date 9/12/82

Richard K. Tompkins, M.D.
Executive Director
Public Health Hospital
Preservation and Development
Authority

J R S Marshall /Date 5-12-82

John E. Marshall, Ph.D.
Director, Medical Facilities
Conversion Staff
Office of the Assistant
Secretary for Health

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APPENDIX A

*The following services are specifically excluded and shall be invoiced and reimbursed separately:

A. - Services provided at SPHH (other than those routinely provied):

1. Durable medical equipment not normally stocked under a Commission approved rate
2. Special duty nursing
3. Procedures performed by outside specialists
4. Hearing aids
5. Pacemakers
6. Prosthetic and orthotic devices not normally stocked under a Commission approved rate
7. Holter monitor

B. Services provided outside of SPHH:

1. Ambulance, cabulance and taxicab transportation
2. Specialized radiologic studies not available at SPHH, including:
   a. Doppler studies
   b. Mammography
   c. CAT scans
   d. 2-D echocardiography
   e. Angiography
3. Urodynamic evaluations
4. Electronystagmography
5. Electroencephalography
6. Thalium exercise tolerance test

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7. Cardiac catheterization

8. Bone density studies

9. Procedures performed by outside specialists

10. Allergy testing

11. Endoscopic retrograde cholangiopancreatography

12. Ejection fraction

13. Sleep studies

14. Monometry

15. Referred laboratory procedures that are beyond the capability of SPHH

16. Custodial care for Hansen's Disease patients

C. The facility will pay for all services and supplies ordered by their staff for eligible individuals in accordance with the requirements of Cooperative Care regulations as specified in CHAMPUS INTERIM INSTRUCTION 34-78 dated July 31, 1978, with Interpretive Guidelines. Actual costs of such services or supplies listed as exclusions will be invoiced separately under this agreement as a charge in addition to inclusive inpatient and outpatient rates.

D. This agreement does not affect the ability of the government or the facility to enter into additional agreements covering services outside the basic stated scope of the agreement. Such arrangements, if made, will be made at the local level between the facility and local federal officials.

E. The facility will provide eyeglasses and dental laboratory and prosthetic services to Uniformed Services patients so long as the facility has access to Uniform Services dental and optical supply sources at no cost. In the event that such sources are not available to the facility, eyeglasses and dental laboratory services shall be excluded from the scope of the agreement.

F. Services paid for by the facility in accordance with Article I will be reimbursed by the government within 30 days of receipt of the facility's bill.

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APPENDIX B

I. The facility shall provide pharmacy services by:

A. Maintaining, for the duration of the agreement, State licensure to maintain and operate a pharmacy.

B. Employing a pharmacist licensed for the practice of pharmacy in the State in which he/she maintains a practice.

C. Providing the following services to authorized beneficiaries:

1. Supply designated Federal legend drugs and normal drug related supplies (i.e., syringes), in accordance with, and in amounts set by attached PHS Pharmacy Policies on dispensing, prescribed by a licensed Doctor of medicine, osteopathy, dentistry, podiatry, or other practitioner licensed to prescribed such drugs, to all eligible PHS beneficiaries specified in Article I A.

2. Maintain a system of patient drug profiles or a drug list at the facility either in the pharmacy or as a part of the patient's permanent medical/dental record for both inpatients and outpatients.

3. Provide pharmaceutical services normally and customarily provided to non-PHS beneficiaries.

4. In connection with the services provided in 1, 2 and 3 above, the facility shall:

(a) Designate and maintain an individual to act as a single point of contact through which the PHS may monitor and evaluate pharmaceutical services for all authorized PHS contract beneficiaries.

(b) Verify appropriate eligibility and beneficiary status by inspecting ID card prior to providing services. Questionable eligibility may be verified by calling Toll Free 1-800-368-2777 between 8:30 A.M. - 5:00 P.M. Eastern Time.

(c) Assure access to prescription and purchase records to PHS officials for auditing purposes.

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Pharmacy Policies on Dispensing

1. A prescription for other than Controlled Substances (CS) shall be valid for a maximum of one year from the date of filling. It may be refilled only as authorized by the prescriber, for quantities consistent with the directions for use.

2. In no case may a prescription be dispensed for greater than a 90 day supply of medication.

3. Prescriptions for CS in Schedule II, III, IV or V may not be dispensed for a greater than 30 day supply of medication (except for those entities in Schedule III, IV, or V to be used in the treatment of a seizure disorder, for which a 90 day supply of medication may be issued).

4. Prescriptions for CS in Schedule III, IV or V may be refilled a maximum of twice if such refills meet all the requirements of State law or Federal law.

5. The following information must be recorded by the pharmacist or his/her agent on the prescription:

   A. Manufacturer
   B. Lot number
   C. Beneficiary classification of patient (i.e., PHS Officer, Coast Guard, etc.)

6. All prescriptions should be filled with generic equivalent drugs in accordance with State law, unless the physician marks the prescription, "dispense as written" or "do not substitute."

7. The patient's name must be on the prescription. The physician's name should be legible, and if not, should be printed in by the dispensing pharmacist or his/her agent. The patient's complete address must appear on the prescription when required by State or Federal law.

8. Federal funds are not to be expended for drug products classified by the FDA as "ineffective." Federal funds may be expended to purchase a drug product classified by FDA as "possibly effective" only for use in an approved clinical research project or when no alternative means of therapy with drug products in the "probably effective" or "effective" classification is available. The physician must indicate such fact on the face of any prescription for a "possibly effective" drug. (A copy of the FDA classification will be provided to each contractor.)

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9. Minimum labeling information requirements include:

   A. Prescription number
   B. Date of filling
   C. Patient name
   D. Complete directions for use
   E. Physician's name
   F. Drug name (generic preferable)
   G. Strength
   H. Quantity dispensed
   I. Pharmacist's initials
   J. Instructions for refills
   K. Any additional information required by applicable State or Federal regulations

10. Auxillary labels for warnings, storage information, etc. should be included on the immediate container where applicable.

11. No prescription shall be valid if presented to the pharmacist greater than 15 days after written and dated by the prescriber. This policy shall not supersede any more stringent State or Federal laws or regulations.

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APPENDIX C

The calculation of unit costs for outpatient and inpatient facility rates shall be based on the methodology used by the Washington State Hospital Commission (WSHC), which approves the rate-setting budget for the Seattle Public Health Hospital and all other Washington hospitals.

WSHC approves the hospital's budget (not including professional services) in three distinct components: operating expenses, planned capital and service component (PCSC), and deductions from revenue. The former is based on a detailed reporting of expenses which are verifiable by audit; the latter two components are based on the hospital's future needs and past experience.[1]

To summarize, the rate-setting budgets for hospital services will be calculated using the following formula:

- Rate Setting Budget = Operating Expenses + PCSC + Deductions From Revenue

To calculate inpatient and outpatient institutional rates, the rate-setting budget for the hospital is separated into inpatient and outpatient costs based on prior workload data and appropriate cost allocation:

- Inpatient Costs = Costs x % Costs Allocated to Inpatients
- Outpatient Costs = Costs - Inpatient Costs

1. For 1982, deductions from revenue were estimated and then approved by WSHC; lack of operating experience prevented a more accurate calculation.

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- Cost Per Inpatient Day = $\frac{\text{Total Inpatient Costs}}{\text{Total Inpatient Days}}$

When outpatient pharmacy charges are paid on the basis of usual and customary fees, the institutional component of the outpatient visit rate is calculated as shown below.

- Cost Per Outpatient Visit

$$= \frac{\text{Total Outpatient Costs} - \text{Outpatient Pharmacy Costs}}{\text{Total Outpatient Visits} - \text{Outpatient Pharmacy Visits}}$$

The total inpatient days and outpatient visits will be obtained from workload data of the year immediately preceding the WSHC annual review, except in the initial year when the workload data, and the allocation of inpatient and outpatient expenses will be estimated.

Question. How are costs and utilization controlled under the contract and at your facility?

Answer. As I have testified, costs are cheaper and utilization lower at our institution than under CHAMPUS in our area. This largely is the result of factors outside the scope of the agreement. However, the rates charged by the hospital are set annually by the Washington State Hospital Rate Review Commission which thoroughly examines our proposed budget before doing so. This is one powerful way in which costs are regulated under the contract because the rate charged the government must be the Commission approved rate. As I have testified, our unique structure and approach feature substantial and superior cost and utilization controls.

Question. I note from your testimony that you appear to be willing to work with the Department to resolve any problems. For the record, please clarify whether you are open to discussions regarding costs, utilization and payment?

Answer. Absolutely. In fact we are anxious to discuss these points because we believe we can be laboratories for the demonstration of potentially precedential methods of holding down costs, reducing utilization and facilitating payment through risk-sharing.

Question. For many years before the PHS hospitals transferred to community control DOD reimbursed HHS for some of the costs associated with the use of the PHS facilities by DOD personnel, dependents and retirees. Did the interagency rates used to calculate reimbursement reflect the true costs of health care for these beneficiaries? Didn't HHS for years supplement DOD appropriation by charging less than was necessary to cover the costs of providing care to DOD beneficiaries?

Answer. The interagency rate never covered anything close to the full cost. The provision of care to the non-HHS uniformed services (all but the Public Health Service Corps itself) was in fact subsidized through the Labor-HHS appropriation. In the years just before the transfer, I was among those within the Corps who advocated fuller recovery of true costs and worked to document the

level of subsidy. Of course, closure and transfer superceded this effort.

Question. During the negotiations why did the PHS hospital not discuss the terms of the agreement to provide medical services to federal health care beneficiaires which DOD? Wasn't it because DOD had delegated responsibility for the negotiations to HHS?

Answer. As I have indicated, we did not negotiate with the Department of Defense because we were told it was unnecessary. The Department of Health and Human Services representatives negotiated and executed the agreement on behalf of the DOD. Of course, we would have negotiated with DOD had that been necessary.

Question.—Didn't the Seattle PHS hospital offer to accept all-inclusive rates—as opposed to charges—for both the hospital and the physicians which would be established annually? Wouldn't this obviate the need for annual negotiations and assure an external, objective review of hospital costs by an independent, state regulatory agency?

Answer. Yes, we originally proposed an all-inclusive rate for professional as well as institutional services. Similarly, we also proposed a methodology based on the State Rate Review Commission methodology for institutional services. In fact, development of a methodology which was mutually agreeable to us and HHS was one of the more difficult aspects of the negotiations. The agreed upon methodology for professional services, which would have achieved what you suggest, was discarded in favor of "usual and customary charges" at the insistence of DOD. The institutional component, which represents a much larger share of the total rate, is subject to a flat rate set on the basis of regulatory methodology.

Question. I understand that the hospitals have an outstanding record of controlling both utilization and costs. How do the average charges per hospitalization for CHAMPUS beneficiaries in comparable Seattle hospitals compare to charges at the Public Health Hospital?

Answer. That is correct. Please refer to my answer on page. 379.

Question. Is the utilization of hospital services less at the Seattle Public Health Hospital than at comparable Seattle CHAMPUS hospitals. If so, by how much?

Answer. Yes. Please refer to my answer on page 379.

Question. How does the length of stay at the Seattle Public Health Hospital compare to the length of stay at comparable Seattle CHAMPUS facilities?

Answer. Quite favorably. Please refer to my answer on page 379.

Question. Isn't it true that the range of services provided by the Seattle Public Health Hospital and others are specified in the contract negotiated by HHS on behalf of the Government?

Answer. Yes. As you can see from the agreement itself, the services provided are described in detail. In addition, there are two types of services which we do not provide but which we are obligated to otain from other institutions. The cost of some diagnostic services obtained elsewhere are included in the negotiated rates. Thus we are at risk financially for these services obtained elsewhere, providing a large incentive to control costs. Other services

for which we refer patients elsewhere but which are not covered in the agreement are fully subject to CHAMPUS payment regulations and procedures. These are specificially identified in an appendix to the agreement which also specifically applies CHAMPUS regulations.

Question. Are you (the hospitals) aggressively attempting to broaden your patient bases over the next few years?

Answer. Yes. As I mentioned in my response to question asked by Congressman Addabbo, we are attempting to attract new patients. In fact, our effort to broaden our patient base is focused on the general community, not DOD beneficiaries. As one example of our efforts, I append a copy of an advertisement which will appear next week in Seattle newspapers. An explanation accompanies the ad.

Question. What are the long-term benefits to DOD of maintaining the current USF designation and relationship between the hospitals and DOD?

Answer. First and foremost, cost-effectiveness. We can do a better job, be the facility of choice for uniformed services beneficiaries and do it more cheaply for the government than the alternatives. If this continues to be the case, there is no reason why the designation should not be perpetuated. Second, through demonstrating the feasiblility of risk-sharing, health maintenance, primary care, preventive medicine and other concepts, we may be able to improve the delivery of government-financed health care benefits and lower the cost. This potential is simply too valuable to ignore. We honestly believe that we will prove to be too good a deal for the government to discontinue in two more years.

Question. Are you committed to providing the higest quality of care to military personnel and retirees and their dependents at the lowest possible costs?

Answer. Yes. We also believe we are in a unique position to be able to achieve this very difficult balance.

[CLERK'S NOTE: End of questions submitted by Mr. Dicks.]

Mr. ADDABBO. Mr. McDade?

Mr. MCDADE. No questions. Thank you very much, Mr. Chairman.

Mr. ADDABBO. Thank you, gentlemen.

TUESDAY, AUGUST 10, 1982.

PUBLIC HEALTH SERVICE HOSPITALS

WITNESSES

HON. GUY V. MOLINARI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

JERRY CASTORIA, BAYLEY-SETON HOSPITAL

Mr. ADDABBO. Our next witness is our esteemed colleague from the state of New York, Mr. Molinari.

STATEMENT OF HON. GUY V. MOLINARI

Mr. MOLINARI. Thank you, Mr. Chairman, members of the subcommittee.

Let me start off by saying that I am rather distressed to be forced to be here today to seek funding on the uniformed services designation which we thought we had for a period of three years. I would like to go back with you for a moment and try to be very brief.

Last year when the initial part of this was done, when we tried to save the public health system itself, I saw Mr. Stockman. He made it clearly understood that the Administration, under no circumstances, would consider the saving of the system, but if we were able to come up with a private hospital and offer to take it over, they would put together a proposition that would make it viable and attractive.

We were only able to come up with one on Staten Island, Mr. Chairman. That was the Catholic Hospital at St. Vincent's. This facility is now known as Bayley-Seton. Over 45 percent of the patients there are in this category. A commitment was made, in my judgment, by the Department of Defense, by the Administration, by Mr. Stockman, by the President, by the Vice President, all of whom I saw personally, and by the Congress itself. And I might add that that commitment was very important in our getting the state approval.

I must say that Bayley-Seton was accredited by the State of New York in record time. They are doing a marvelous job there. I think that same kind of record is reflected in the other hospitals that have been converted. To deprive the Bayley-Seton Hospital and the other hospitals of this incremental funding I think would be pretty much closing their doors. I thought this fight was over last year. It was a long, hard fight.

I think it was a bipartisan fight. We had great support from both sides of the aisle. We lost a lot of good people at the hospital, indeed at all of the hospitals because of the insecurity and the uncertain future that existed.

Mr. ADDABBO. It is not our fault.

Mr. MOLINARI. I think there is enough blame to go around.

Mr. ADDABBO. We fought against the closing of PHSs.

Mr. MOLINARI. I was on that side, Mr. Chairman.

I must say this: Congressman Biaggi and others were very helpful and took us around to members on both sides of the aisle. I don't want to be here on a partisan basis. We told them both it was hopeless as far as trying to save the system was concerned. That is beyond us. That is history.

I am concerned now with the salvation of the hospitals. They are doing a good job. I am going to let Mr. Castoria talk about the actual cost containment factor. I think you will hear the same story you heard from the prior witnesses.

Indeed, it would save the government money to continue as they are operating now, but for heaven's sakes, we cannot go back on a commitment that was made to the hospitals.

We cannot continue to raise those spectors so that the hospitals again will start to find themselves losing key personnel who feel maybe a year or so from now this hospital is going to be forced to close and they will look for better opportunities elsewhere.

I had occasion, Mr. Chairman, to be a patient at Bayley-Seton about a month ago. I saw it from within. I got excellent care, not because I was a Member of Congress. I got the same kind of care everybody else did. I must say it is deserving of being open. I think they are doing a wonderful job. I beg this committee and the members of this committee to quickly resolve this issue so they can get on about the job of running good hospitals, as indeed they are.

Mr. ADDABBO. I can assure you it is not the intention of the committee to renege or go back on an agreement. I fully support this, as I supported PHSs before.

The only thing this committee will look into—and it is not the responsibility of this subcommittee because these are not true defense dollars, but it is an adjunct to our defense and our commitment to our retirees and dependents of our military.

We have to, in looking at the defense dollar, carefully review rates. So it is not our intention—there is no intention on the part of this committee to close or in any way act as an adversary to the hospitals; but again we are looking to the rates and seeing if they are complying or whether they are using this as the defense's bottomless chest.

Therefore, the rates may not be conformed. Our hearing today and our markup will concern itself not with the operation of the hospitals. That must go on. I think there is a two-year commitment to the hospitals at which time the states and communities must take them over; but again, as to whether there is some balance between their rates and the rates of CHAMPUS and other military establishments.

Mr. DICKS. I just want to commend my colleague from New York. I must say this was a bipartisan effort to save these hospitals. The basis of it was that the Federal Government was going to work out an arrangement so these responsibilities could be shifted to the local level.

The key here is that as a condition precedent to agreeing to take over that responsibility—and you have local community boards and people on the line who said one thing we have to have is this desig-

nation or else this thing is not going to be financially viable, and so these people have relied in good faith on the Jackson Amendment and the commitment of the Congress and the agreement that was signed last year.

Now, because some bureaucrats at DOD who weren't involved because they gave their authority to HHS in order to get the thing agreed to now want to come in and start raising questions. That would undercut the entire agreement.

To me it is the kind of thing that raises questions about the credibility of government, whether we have the ability to agree to something and stick with it.

We are asking these communities to take over what used to be a federal responsibility that we supported. I think the gentleman has made a very telling statement. I just hope this committee, which has always tried to have a balanced approach and concern for the human issues and no one characterizes that more than our chairman, by the way, will stick with this and give this transition period a chance to work and not allow this to be undercut by people who didn't speak up when they should have spoken up, and that was last year if they had a problem.

Mr. MOLINARI. I agree.

If I could, Mr. Chairman, I would just like to compliment Congressman Dicks for his statement. At the time they were negotiating to get rid of the Public Health Hospital System, they were willing to extend themselves. I am talking about the administration now. They were willing to extend themselves.

Mr. ADDABBO. They realized they made a mistake.

Mr. MOLINARI. I don't know whether they do or not, whether they admit to that, Mr. Chairman. I think they did, but the important thing is that at that particular point in time they were ready to negotiate, ready to make an attractive offer to those willing to take over.

The most difficult part of the negotiations was with the Department of Defense. We were able to get it through the Jackson Amendment, and that enabled the State of New York in our case to turn around and say okay, we will license your facility; we can't now go back and have it taken away from us.

I want to thank the Chairman and members of the committee. I hope you will help us in achieving that very important goal.

Mr. ADDABBO. We will.

Mr. MOLINARI. Thank you so much.

I am going to ask Mr. Castoria to come forward.

Mr. ADDABBO. Briefly summarize your statement, please.

STATEMENT OF MR. CASTORIA

Mr. CASTORIA. I am Jerry Castoria, Director of Finance at Bayley-Seton Hospital on Staten Island. The concerns of our hospital have already been expressed with the other institutions.

Just to comment on something Mr. Molinari said, 45 percent of the patient volume at the hospital is from the Department of Defense. The future viability of the hospital is dependent on the designation and also on the rates that were promulgated based on the agreement which I would like to add have, in fact, been compared

and promulgated in conjunction with the rate-setting agencies of the State of New York.

In addition to that, the rates are comparable to other facilities on Staten Island.

I would like to conclude.

Mr. ADDABBO. Thank you very much. Again, your rates have been close to comparability with CHAMPUS.

Thank you very much.

Our next witness is——

Mr. DICKS. A final question: Are your costs lower too?

Mr. CASTORIA. Yes.

Mr. DICKS. How about Maryland's?

I guess I don't understand the problem. Seattle is lower too.

TUESDAY, AUGUST 10, 1982.

BASIC RESEARCH

WITNESS

WESLEY W. POSVAR, CHANCELLOR, UNIVERSITY OF PITTSBURGH

Mr. ADDABBO. Our next witness is Chancellor Wesley W. Posvar, University of Pittsburgh.

Mr. POSVAR. Thank you, Mr. Chairman.

STATEMENT OF CHANCELLOR WESLEY W. POSVAR

This will be quite a change in pace. I am here representing all of the major national education associations. I represent the Association of American Universities, the American Council of Education, National Association of State Universities and Land Grant Colleges, American Society for Engineering, Council of Graduate Schools; in other words, all of the organizations that represent all of the universities that perform nearly all of the basic research in the United States. I am simply, on behalf of all of my colleagues, expressing strong support for the research component of the fiscal year 1983 defense budget.

I will give a brief resume.

I think you know all the arguments. The programs in the budget I speak for are a tiny fraction of the whole. They represent only some $800 million out of $25 billion-plus, but in the larger context I think that basic research and the whole research component of our society are very, very fundamental and important. They are crucial to national security, to industrial progress, and with respect to the defense budget we want to argue that a broadly-conceived research program is just as critical to our security in the future, or more so, as the deployment of equally costly or more costly weapon systems in 1982, 1983, or 1984.

Obviously research is a multiple process. In supporting it you not only support what happens in universities, but you help society and the general economic progress. You invigorate the economy. You are the key to the development of the future. There is a very important trend going on in higher education and in American business. That is a growing partnership between business and higher education in respect to research and a further partnership between those two elements and the Federal Government.

I have been chairman of the Business Higher Education Forum devoted to such purposes. I am the member of an active committee of university presidents and directors of industrial research. We are doing a lot of these things with private money. Of course, when

you talk about basic research, private money is usually not available.

BASIC RESEARCH

There are three elements specifically in the budget that we want to highlight. That is the line item for basic research, some $800 million, a very small amount, about half of which is performed at universities.

This reflects an upward trend but we are stil well behind where we were in investment for defense research in the early 1960s. Our general investment for research is falling well behind Europe, Japan, and the Soviet Union and our own earlier efforts.

Of course, we are talking about the funding of physics, genetics, chemistry, electronics that have led to such developments as computer-asssisted design, artificial intelligence, lasers, genetic engineering, and even cheap nuclear power, the very key elements of any new weapons systems that we have to have. That is one point.

LABORATORY INSTRUMENTATION INVESTMENT

The next point is the very small investment in instrumentation. The budget calls for $30 million as the first installment of a five-year program to help rebuild university laboratory instrumentation. The condition of these instruments and equipment is deplorable. They are twice as old as those in industry and our whole national instrumentation is well behind our competitors in Europe and Japan. This is truly becoming a technology crisis for the United States.

SHORTAGE OF SCIENTIFIC AND TECHNICAL MANPOWER

The third specific point is a reference to the dangerous shortage of American scientific and technical manpower, especially in certain critical fields. The budget has a very small item, less than $3 million, for the hundred-plus graduate fellowships for selected young Americans who want to commit themselves to a scientific career. This is a very modest step forward, but we think a very, very important one.

In parallel with that, it is proposed in this budget to increase ROTC scholarships from 21,000 to 26,000, including funds for graduate study. We are very much behind that.

The engineering manpower crisis is acute in computer sciences and in some subfields of engineering and the basic sciences. It is going to have a direct weakening effect upon our military power in relation to Soviet strength in the future.

Just a couple of data. There are 2,500 faculty vacancies in the nation's engineering schools at this time. Our young graduates are not staying on for Ph.D.s. They are being lured away to industry. In effect, we are eating the seed corn. Our number of doctorates in engineering has dropped in 8 years from nearly 4,000 to about 2,700. Half of our doctorates now in engineering are awarded to citizens from foreign countries who take their knowledge back home with them.

Sometimes there is a question as to why the Federal Government should be in basic research at all. I think OMB itself answered that question several years ago. When you are dealing with undirected, open-ended research, the kind that has the tremendous payoff but the kind with the very high risk, the normal economic incentives do not work to persuade the big corporations to make the investment. The lag between discovery and application is sometimes decades. Only the Federal Government has the basis for necessary support. Mission-oriented agencies need the products of basic research such as, and notably, the Department of Defense.

So we argue that if cuts must be made in the defense budget for the coming year, basic research would be the worst place to make those cuts.

So I just simply conclude and summarize by affirming that basic research should be a top national priority as a national investment. University research and scholarship is the bulk of that. It plays a vital role in maintaining our nation's security as we do in training manpower, such as in ROTC, besides performing research. Our output is human capital, the engineers, the scientists, the other experts which have to be provided even before the physical capital, the factories, the laboratories, the instrumentation, can be meaningful and productive.

This is our case for federal support for university research and for all basic research.

Thank you, Mr. Chairman.

[Statement of Mr. Posvar follows:]

Testimony
on
FY 1983 Appropriations for the
DEPARTMENT OF DEFENSE
presented before the
Subcommittee
on
Defense
Committee on Appropriations
House of Representatives
Ninety-Seventh Congress
by

Wesley W. Posvar
Chancellor
University of Pittsburgh
on behalf of the
Association of American Universities
with the
American Council on Education,
National Association of State Universities
and Land-Grant Colleges,
the American Society for Engineering,
the Association of Graduate Schools
and the
Council of Graduate Schools
in the United States

August 10, 1982

Mr. Chairman and Members of the Committee:

I am Wesley W. Posvar, Chancellor of the University of Pittsburgh. I am pleased with the opportunity to testify before this Subcommittee in support of the research component of the FY 83 Department of Defense budget. My testimony is presented on behalf of the Association of American Universities, the American Council on Education, the National Association of State Universities and Land-Grant Colleges, the American Society for Engineering, the Association of Graduate Schools, and the Council of Graduate Schools in the United States.

As fundamental sectors of our American system of higher education, we constitute the major national capacity for basic research, in terms of creating both scientific and human capital, which are crucial to future national security and industrial and social progress as well. In respect to the defense budget, we argue that a broadly conceived research program is at least as critical to the security of this nation in the future as deployment of sophisticated new weapon systems is critical today.

Support for research in this country is a manifold process. When the Defense Department supports research in universities and industry, it contributes to technological developments which enhance our safety as a nation, and it also stimulates general advances in science and engineering, invigorates the economy, and even helps improve the quality of life in our society. Through research a key partnership is now in the making among the federal government, higher education, and industry. Their combined efforts will help our country meet the more and more dangerous military and economic challenges we encounter in a complex, turbulent world.

At this point I would like to highlight those elements of the Defense Research and Development budget which we educators think are especially significant.

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- Research. First is the funding for DoD research, much of which is carried on in our universities. This is proposed at a level of $828 million, about 3 percent of the total Department of Defense R&D budget. There is a growing realization that the United States is losing momentum in a number of scientific and technical fields, and that research must regain its standing as a top national priority if this ebb tide is to be turned. The increases projected for university-based research in the DoD budget reflect renewed appreciation of this point of view, and an understanding that research requires sustained, broad-based support if future progress is to be assured. This is particularly so because the results of research are often slow to appear. While long lead-times are frequently part of the research process, it sometimes culminates in a major scientific breakthrough of lasting consequence. So, if we consider our nation's security as a whole in an uncertain future, in my opinion the worst place to make any reduction in Defense appropriations would be in research.
- Instrumentation. I applaud the fact that DoD's FY 83 budget includes $30 million as the first year's installment on a five-year intiative to help support a new university research instrumentation program. One cannot exaggerate the desperate need in our university laboratories to replace, update and generally improve research facilities and instrumentation. The whole state of instrumentation in our country has deteriorated, and most acutely in university laboratories, to the point where research is being handicapped severely. I think it is obvious that if our scientists are to be able to give effective support to our national defense effort, they require modern facilities and instrumentation.
- Graduate fellowships. There is a growing and potentially dangerous shortage of American scientific and technical personnel, especially in certain critical

fields. The graduate fellowship program projected in the DoD budget is an important initiative designed to help reverse this grave trend, even though the cost is less than $3 million. These fellowships serve as incentives for talented young Americans to acquire experience in the advanced technological and scientific fields which will qualify them for faculty positions and for future participation on research projects of relevance to national security. Such incentives are crucial, given the increasing reluctance of many of the brightest young Americans to commit themselves to a scientific career in the face of diminishing opportunities and compensation. The budget also calls for some expansion in ROTC scholarships. The ROTC program over the years has been an invaluable contribution by the universities to the defense of our country, and the expanded ROTC output will help meet the growing need for trained scientists, engineers, and other specialists, as well as managers and leaders, in all of our armed services.

As this committee examines the proposed Defense appropriations, I trust you will find that these elements in the overall Research and Development program of the Department of Defense constitute a key investment and should be retained and fully funded. In the following discussion I will place these elements in the larger context of national priorities for sustaining our future security.

RESEARCH AS A NATIONAL PRIORITY

The extent of the nation's investment in research is a determinant of future scientific progress, an essential concomitant of capital formation, and the key energizer of industrial productivity and technological innovation. The research

universities of America make the major constribution to basic research, which can be described as relatively open-ended and far-sighted research at the forefront of present knowledge. More than half of basic research activities in this country are conducted in university research laboratories, and nearly all of it is funded by the federal government. (When I refer to research universities, I want to support in the same context the very important four-year colleges and smaller institutions, because they prepare many of the people who become the graduate students, the professionals, and the university research investigators on our large campuses.)

Last year, my colleague, President Robert L. Sproull of the University of Rochester and former head of DARPA, said to this committee that one definition of basic research is that when the work is being done, the scientist has no immediate application in mind. This fact has made basic research an easy target for cost-cutting and loss of priority. Some basic research projects have been called frivolous and a waste of taxpayers' dollars. A falling off of public confidence in basic research may have been responsible in part for the steady decline in DoD support for such research between 1965 and 1980--by 32 percent in constant dollar terms. By 1980, DoD's obligations for basic research amounted to only 3 percent of its R&D budget, as against 5 percent in 1965. Yet all of us should keep in mind that just one major breakthrough can more than compensate for the cost of hundreds of far-sighted, high-risk research efforts.

The pioneering work of American basic scientists in electronics, biochemistry, genetics, physics, chemistry, mathematics, and other fields have brought us the fantastic array of opportunities inherent in computer-controlled design and production, artificial intelligence, lasers, genetic engineering, fiber optics, and ultimately cheap nuclear power.

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University basic research is central in most such developments, and a principal factor in the superiority the nation still enjoys in such areas as electronic components, computers, medicine, propulsion, chemicals, metals and alloys. Recently, when the National Science Foundation reviewed 85 significant advances in the fields of mathematics, chemistry, astronomy and earth sciences, they found that university-based investigators were responsible for over 70 percent of them. Many or most of the great technical applications that enrich America are descended from the fundamental inquiry of basic research.

Applications of research to advances in defense capability are of parallel importance, such as in strategic defense. Competition is developing in space, the Soviets have an operational anti-satellite capability, and we must hedge against their possible acquisition of a full ballistic-missile defense. Future U.S. capabilities in this area will stem from increased research in chemistry, mathematics, computer science, physics, and energy conversion. The Air Force is supporting research in these fields that will move us ahead in space propulsion, spacecraft design, and spacecraft image processing. As you are aware, the Army, Navy, and DARPA are all supporting expanded research for advances in sciences related to defense missions, such as in mathematics, computer sciences, and materials engineering. Fortunately, DoD has begun to reverse the decline in support for research. The FY 83 budget proposals call for research funding to rise to about 70 percent of the average level of the late 1960s (in constant dollars).

Given a persuasive case for emphasizing research, why, as the Office of Management and Budget asked a few years ago, should the federal government have the key responsibility for assuring an adequate level of national support for research, including basic (far-sighted, open-ended) research at universities? In my

view, the answers set forth at the time by the Office of Management and Budget itself are telling:

- Research is important to economic growth and the solution of important national problems.
- Normal economic incentives will not produce an adequate volume of research, especially basic research.
- The lag between discovery and application is often so long and unpredictable that often only government can supply the necessary support.
- Mission-oriented federal agencies need the products of research, including basic research, to carry out their tasks effectively.

To me, these arguments are valid and, as I am convinced, the vital mission-oriented DoD does indeed require, on a large scale, the products of research and the dividends of basic research to carry out its responsibilities.

There must be a new commitment on the part of American institutions, outside the government as well as within, to the idea that research is crucial both to our national defense and to our economic strength and progress. The DoD budget is an important factor in that commitment.

RESEARCH INSTRUMENTATION

Instrumentation obsolescence in university laboratories is bringing us toward a crisis in the ability to meet the nation's basic research needs. In this respect, I express appreciation and strong support of the instrumentation program proposed in the DoD budget request.

The conduct of scientific research, as well as the training of the scientists of the future, depends upon the use of expensive instruments, such as spectrometers and chromatographs, scintillation counters, X-ray and ion diffraction apparatus, and

electron microscopes. In addition, most such instruments require the use of auxiliary and support equipment, especially computers which "drive" the instruments, collect and display data, and analyze experimental results. The purchase price of most research instruments now ranges from several thousand dollars to several hundred thousand dollars. Associated maintenance costs, which are recurring and which normally increase as instrument age increases, can average in the thousands of dollars per instrument per year.

Despite this, federal and other funding to universities for instrument purchase and maintenance has declined seriously in recent years. This trend is documented in two widely circulated studies, a National Science Foundation-sponsored, book-length report, The State of Academic Science published in 1977, and a 1980 study conducted by the Association of American Universities, The Scientific Instrumentation Needs of Research Universities. These studies indicate that the health of scientific research in colleges and universities is being severely affected by a growing shortage of state-of-the-art instruments and a reliance on worn-out and out-dated instruments. An often-cited finding of the AAU study, that the median age of instruments in a sample of university research laboratories was found to be twice that of instruments in a sample of industrial research laboratories, underscores the severity of the situation.

As the March 6, 1981 issue of Science reported:

> The deteriorating quality of university instrumentation is threatening the capacity of even the best institutions to conduct research and provide first-rate training. This deficiency retards the pace of research because the energies of research scientists and graduate students must be redirected from innovative investigation to subsistence activities. Both new and old lines of inquiry are being closed off because of difficulties in obtaining essential but costly instruments.

It follows that without adequate funding for the purchase and maintenance of state-of-the-art research instruments, the two major missions--the conduct of research and the training of research manpower--cannot possibly meet national requirements. That is why we strongly support the modest--but significant--DoD program to help begin to modernize research instrumentation in university laboratories. Funding for research instrumentation must be seen as an integral part of the total DoD program to rebuild and sustain the research capacities of universities and to strengthen the partnership between universities and the federal government in the interest of national security.

SCIENTIFIC AND ENGINEERING MANPOWER

A National Research Council committee report concludes that manpower problems "...are reaching crisis proportions in the fields of computer sciences, engineering, and in some sub-fields in the basic sciences." The report goes on to state that the once-dominant position of American technology is eroding as a result, and there is thus "a relative weakening of our military power in relation to Soviet strength."

Therefore, the DoD initiative for the graduate fellowship program in the FY 83 budget request is both enlightened and highly welcome. This program is sponsored by the Army, Navy, and Air Force "...as one means of increasing the supply of U.S. nationals trained in areas of science and engineering critical to the United States."

The nation's research universities are the principal sources of highly trained manpower, especially in the sciences and engineering. Yet despite record undergraduate enrollments in engineering, faculty appointments and graduate

enrollments are suffering badly. The nation's 286 schools of engineering report 2,000 to 2,500 budgeted faculty vacancies. Graduate enrollments and degrees conferred continue to fall; the number of engineering doctorates awarded has declined steadily from a 1972 peak of 3,774 to a 1980 level of 2,751. Further, of the engineering doctorates awarded in the United States in 1979-80, 46 percent were awarded to citizens of foreign countries.

Certain fields critical to defense have especially severe shortages in the doctoral graduates needed to fill faculty positions and carry out advanced research tasks in universities and industry. For chemical engineers, there is a growing shortfall; while the demand for such graduates, according to the latest projections, will range annually around 450 for the rest of the decade, the current production rate is about 300, and that includes foreign students. The shortages are deplorable in computer science, a discipline of obviously central importance to defense. The Computer Science Board warned recently that "unless the trend reverses, we will soon lose our lead in computer technology because we cannot conduct the basic research to ensure a continuing supply of new concepts for the long term future."

In these fields and others of great significance to national security and the economy, universities are virtually the sole source not only of new faculty members but of the scientists who go to industry.

The proposed Defense-sponsored graduate fellowship program is a very small but significant step to help alleviate real or impending shortages, and to provide incentives for outstanding young science students to pursue advanced studies and research. Without producing sufficient highly trained scientists, engineers, and other specialists today, the national defense requirements of tomorrow cannot be met.

The need for training manpower as an aspect of defense research transcends the need for scientists and engineers. We must think in terms of needed experts--human capital of all kinds--including managers, economists, doctors, lawyers, psychologists, linguists, and foreign intelligence specialists.

Let me comment briefly on foreign area and language studies. The Department of Defense clearly is one of the government agencies most dependent on expert knowledge of other countries and their peoples, along with the CIA and State Department. The foreign language and area studies programs of the nation's colleges and universities are the unique source of that essential training and are now seriously threatened.

Since 1958, the federal government has provided some funding for language and area studies under the National Defense Education Act and its successor legislation. In 1958, the level of federal support for languages and foreign area studies was $15 million; in 1982 it is approximately $20 million, which is a reduction of more than half in constant dollars. The internal resources of our universities cannot begin to provide the support necessary to fulfill our pressing responsibilities to the nation in this area. Foreign language and area studies programs are now in fatal jeopardy, for there is a possibility that federal support, (which comes from non-defense sources) will be cut in half or even disappear in the next couple of years. We feel that the Department of Defense should be deeply concerned about this threat to an indispensable sector of our future research manpower for national security.

In conclusion, I want to affirm that university research and scholarship play a vital role in helping to maintain our nation's security. That role also relates to a wider contribution to future economic growth and quality of life. Besides research, the output of higher education is human capital--engineers, scientists, and other experts--which must be provided before the physical capital--factories, laboratories, and instrumentation--can be meaningful and productive. This is the case for federal support for university research.

Thank you, Mr. Chairman, for the opportunity to present these views. I shall be pleased to respond to your questions.

Mr. ADDABBO. Thank you for giving us your expertise. I think we have shown in the past we fully agree with you. This is very important in light of the withdrawal of the student loan programs and the aid to colleges.

The gentleman from Pennsylvania?

Mr. MCDADE. Thank you very much, Mr. Chairman.

Welcome, Doctor. Nice to see you again.

I have to tell you I have my tie on in your honor.

Mr. POSVAR. I have the pit panther here.

Mr. MCDADE. I do have to tell you in all honesty, I root for Notre Dame.

I have one question. I have no problems with the thrust of your statement. The three million dollars you mentioned in direct support for a couple of hundred——

Mr. POSVAR. No, just a hundred.

Mr. MCDADE. The hundred fellowships, are they civilian or military?

Mr. POSVAR. All civilian.

Mr. MCDADE. Do they make any kind of commitment to the military? How does the program work?

Mr. POSVAR. The purpose of this is to bring young people into lifelong careers in the basic sciences, chemistry, physics, and so on, the people giving up going into industry, because those are the people who will stay on as doctoral students, postdoctoral students, who will be the manpower for performing the basic research funded by the Army, the Navy, and the Air Force in these university laboratories. It is really a national investment.

Mr. MCDADE. It is strictly based on the quality of the student and the commitment to continue on to, what, the Ph.D. level?

Mr. POSVAR. Yes.

Mr. ADDABBO. Thank you very much.

TUESDAY, AUGUST 10, 1982.

REQUEST FOR INVESTIGATION, USS KALAMAZOO

WITNESS

DR. ELIZABETH ANNE TERNER, SENIOR STAFF PSYCHIATRIST, FAIRFIELD HILLS STATE HOSPITAL, NEWTOWN, CONN.

Mr. ADDABBO. Our next witness is Dr. Elizabeth Anne Terner.

Dr. TERNER. Thank you, Mr. Chairman.

Mr. ADDABBO. Please summarize your statement for the committee.

STATEMENT OF DR. TERNER

Dr. TERNER. I am appearing today—I am Dr. Anne Terner, Staff Psychiatrist at Fairfield Hospital. That is a state hospital.

I am a single parent of two children, one of them, my son, whom I have come to talk about today.

I have prepared a statement requesting that an inquiry be made into the reasons why my son was given amphetamines while working in the engine room of the USS Kalamazoo in the summer of 1979.

Mr. ADDABBO. He was in the military at the time?

Dr. TERNER. He enlisted in the Navy for six years. This was his first ship. He was on the ship. Previously he had been to boot camp and he seemed happy with the Navy. There were no problems. Apparently when he got on that particular ship he had a very bad experience and, according to the diary that he left, the officer in charge, because they were short-staffed and were short-staffed for two reasons, some of the crew had jumped ship and some of the crew had been smoking pot and were unable to work, and the remaining staff had to work double shifts.

According to my son, he was orderd to take amphetamines by his commanding officer who was a reserve officer. He took them for I do not know how long. I have no idea what happened. The thing I noticed was the letters that came that were written presumably on that ship or shortly after were all sealed with cellotape and there was a definite paranoid flavor thereafter in his correspondence to me and in his concern about being in the engine room, and also particularly about being in a nuclear engine room.

He was very unhappy at this. I suggested he get in touch with the staff at the—at Orlando where he was. I have detailed in this statement the fact that he did. He did request to be removed from the engine room. It was not his original choice when he enlisted for the Navy. He wanted to be in communications. He is a bright boy as well as a strong boy. His IQ is around 140. He did not wish to remain in the engine room.

Also, he apparently was neglected physically. He was sent down, without the earphones they are supposed to have, with an ear infection. Again he has lost some hearing. So I am very concerned that this has happened and this was the reason that I asked for this inquiry.

Particularly I was concerned about the fact that they were being given amphetamines, which I know produce paranoia. They have been known to be drugs of abuse for at least 40 years. They have never been recommended by physicians because of their capacity to produce addiction, because they cause a high, and a rebound depression on discontinuing them. They have a capacity to produce psychosis. They have a capacity to produce excitement with consequent lack of attention to detail, poor attention span, poor judgment—in other words, the work that is done is fast but not necessarily accurate—also the capacity to promote irritability, hostility, and violence. As you know, in New York State, they are considered dangerous drugs and they have to be prescribed with a triple prescription for that reason.

I have requested an inquiry and have not been able to have one yet at this time. That is the reason I am bringing this up at this time, because I feel that there has been a problem. My son went AWOL after that. He requested to be removed from the engine room as a machinist's mate. That was refused. He requested to go to communications. That was refused. He was not given any other choices.

I would like to know what exactly happened. I have requested, sent letters to the Navy, and they have said he must come back. However, I am still requesting that there be an inquiry into what happened, not only just for my son but I think it would be important to know what goes on if there is that level of drug abuse in the Navy and if, in fact, these things that my son said happened did indeed happen.

[Statement of Dr. Terner follows:]

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Statement to be submitted to the Subcommittee on Department of Defense Appropiations by Dr. Elizabeth Anne Terner.M.D.

I request that I be given an opportunity to present testimony to the Subcommittee on Department of Defense Appropiations in person at 1.30 pm on August 10th, 1982. in room H-140 in the Capitol building.I am doing this with the hope that I may convince the Subcommittee to request an objective investigation by the Navy into determining what was happening in the engine room of the USS Kalamazoo in the summer of 1979.I will be presenting testimony both as the single parent of a young man(who volunteered in January 1979 to serve his country for six years in the United States Navy) and as a Board Certified psychiatrist(presently actively treating the many mentally sick citizens of this country in the state of Connecticut in my present position as Senior Staff Psychiatrist employed at Fairfield Hills State Hospital in Newtown, Connecticut.)

I was trained at the New York Hospital- Westchester Division in White Plains, New York under Dr. Paul McHugh (who is now the Henry Phipps Professor of Psychiatry and Chairman and Psychiatrist-in- Chief of the Johns Hopkins Medical Institutions) and the Silver Hill Foundation of New Canaan, Connecticut. Since residency I have had wide experience in many modalities of psychiatry; working with people of all ages, teaching medical students and residents; and maintaining a small private practice as well as holding a full time hospital position.

I am a widow since 1974. My late husband, Fred S. Terner.M.D. a naturalised American citizen, who was also a psychiatrist, became seriously ill in 1970, when he developed an allergy to the drug Quinidine which was not recognised by his doctors (Dr. Marvin Moser of Scarsdale and Dr. Sanford Zevon of White Plains.) As a consquence his white blood cells,which fight infection , became depleted and therefore he developed a hospital staphlycoccal infection which produced a blood-poisoning (septicaemia.)This resulted in permanent severe damage to his heart so that for the next four years he was a cardiac cripple, eventually dying in 1974 of heart failure.

Thus when my son David Terner(who was 12 years old when my husband first became ill and 16 years old when he died) decided to join the Navy in January 1979 I encouraged him to do so, knowing that a young man has a psychological need to identify with a male image and to learn to discipline himself. I was not happy that he had

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signed up for six years in the first instance, rather than two because that seemed too long a committment without knowing what the Navy experience would be like.

He was sent to "boot-camp" in California and for more training in Great Lakes, Illinois and he seemed happy and generally positive about the Navy experience going by his letters and what he told me when he had furlough in June 1979 prior to going to sea for the first time on the replenishment oiler USS Kalamazoo. We went together to look at it and he seemed ecstatic about the thought of going on it.

He had, on enlisting requested to be in Electronics and/or Communications and had been told he had a 99% chance of getting what he wanted by his recruiter in White Plains, New York. As David had an IQof 140 that seemed an appropiate placement. Aptitude testing by the Navy confirmed this was his special aptitude ,so imagine his surprise and dismay when he was assigned to be a machinists mate ! It was not that he was not strong and healthy....he is tall and has strong muscles His only existing physical disability to disqualify him from submarine duty (which he had volunteered for) was his deviated nasal septum which had been recognised in the summer of 1978. Surgery was advised but was not scheduled advisably during summer months and in the fall of 1978 David was away at college so again it was postponed. David had request -ed the surgery from every physician he saw in the Navy, most agreed he needed it to comply with the Navy's guidelines for physical examinat ion of submariners but it was never scheduled.

The USS Kalamazoo left New York about June 1979 and David before leaving had seemed positive and excited at this first sea duty. The trip however,according to written reports my son later gave me, was one nightmare of a trip which removed all positive feelings about life and work in an engine room.

The officer in charge of the engine room was a reserve offic -er, not the regular officer. My son stated that about half of the crew in the engine room were smoking so much marijuana that they were unfit for work. Added to this some of the crew jumped ship on the way. This meant that the non-smokers had to work twice as hard....in fact at time -s to do double shifts. That meant that the crew got less rest and rela xation and became progressively more exhausted as time went on.

One of the air-conditioners broke down for a long period. This meant that the temperature in the engine room became very high (over 100 degrees) and the air became very humid. Some visiting senior staff did collapse while inspecting the engine room.Imagine what it must have been

like to spend hours down there.

My son developed an infection of the outer ear canals under these physical conditions and went for treatment to the ships doctor who prescribed medication to be taken and told David he must not wear the protective ear phones for two weeks so that the infection could clear. Notwithstanding, the reserve officer in charge ordered David to continue going down the engine room which meant that he be exposed to the danger of sustaining a hearing loss. David states that his hearing has been impaired as a consequence of this.

With the men in the engine room continuing to do double shifts under these very hot and unhealthy conditions they naturally were becoming very fatigued; it was then according to my son that the reserve officer ordered them to take amphetamines and supplied them with amphetamines. How much or how long they took them is unclear to me at this time. I knew nothing of what was happening to my son at this time however I did notice an unusual thing with his letters to me. For the first time my son was sealing all his letters with scotch tape and the content of the letters began to show a paranoid flavour which had not been present before going on the USS Kalamazoo. Following his tour of duty on the USS Kalamazoo my son's attitude towards the Navy abruptly changed. He had originally volunteered for the nuclear submarine program.....now he was patently unhappy at the thought of spending five more years down an engine room, and especially was he worried about being in a nuclear engine room.

He continued to express strong doubts about the advisability of continuing as a machinists mate while in the Naval Nuclear Power School Naval Training Center, Orlando Florida which he attended after the trip on the USS Kalamazoo so I phoned the school and asked to speak to theCommander who was Commander James Barber. He was not available so I spoke instead to his deputy, Commander R. Reddoch and asked him if he could talk with my son . He agreed to do so. After talking with David he did not call me back as he said he would ,so I called him. He was evasive and non-committal. David told me that he requested a posting outside the engine room, to switch to Electronics and/or Communications which he had virtually been promised by his recruiter and which the aptitude tests stated was his aptitude(apparently a computer makes the final decision!) Commander Reddoch refused to reassign him. David asked if he could resign from the Navy. Commander Reddoch refused again ,stating that he had to spend five more years as a machinists mate. I had asked Commander Reddoch if he could be

evaluated for the Naval Academy in Annapolis. He told David that he could apply for a position there but that would mean his commitment to the Navy would increase from 6 to 9 years.

My son thereafter remained convinced that life in a nuclear submarine engine room would be a similar hell to that he experienced in the USS Kalamazoo with the added factor of unknown health hazards associated with exposure to nuclear radiation. In retrospect I realise that he was paranoid ever since being in that engine room of the Kalamazoo until he went Awol January 21, 1980 from Orlando.

I believe the illegal administration of amphetamines by the reserve officer triggered off a paranoia that lasted almost a year and was instrume ntal in making my son go awol. I have talked with psychiatric colleagues who have practiced in the Armed Services and they tell me this is quite common with amphetamine abuse they have seen in the services.

I requested over the phone an enquiry from Commander Barber but he refused. In October 1980 I requested two times to have an enquiry from the Department of the Navy. I heard from the Deputy Special Assistant G.P. Dooley and Assistant Secretary of the Navy, J.A. Doyle..... they stated nothing could be done until David returns to the Navy. I wrote to the Secretary of Defense, Mr. Weinberger on Jan.3, 1982 but have received no reply. In Febuary 1982 I wrote to Admiral Rickover but received no reply. I have no way of making my son return, and I cannot see why there should not be an enquiry whether he is there or not. It would seem that there is a need for determining the facts. That is why when the tragic accident on the USS Nimitz occurred I contacted Chairman Addabbo and Congressman Ratchford to ask that I might present this statement plus my sons statement and request once again that an objective enquiry be started regarding drug abuse on the USS Kalamazoo in the summer of 1979.

As the wife of a deceased American and mother of two Americans and as a contributing member of this society for almost twenty five years I feel that I am entitled to find out exactly what happened in that engine room to turn him off so thoroughly that he felt he had to leave.

It is obvious that the Navy has a huge drug problem... with marijuana, alcohol and amphetamines.The National Antidrug Coalition in its October 1981 publication said "the Navy is swimming in drugs"; reminded us that the June 1981 disaster aboard the USS Nimitz revealed that practically half of the dead crewmen were found to have cannabis in their bodies, and according to two random urinalysis tests conducted on

thousands of Naval enlisted men in San Diego and Newport News, almost half of U.S. sailors are regular cannabis users.

Amphetamines have been known as drugs of abuse for at least forty years. Originally used to treat depression (before specific anti-depressants) or as diet pills, they have been used illegally to keep awake during long work hours by certain groups e.g. truck drivers and students, and studied extensively. They have never been recommended by physicians because of.....

1. their capacity to produce addiction, because they cause a "high" and a rebound depression on discontinuing them.
2. their capacity to produce psychosis (insanity) starting with paranoid ideas to delusions all the way up to full blown schizophrenia.
3. their capacity to produe excitement with consquent lack of attention to detail, poor attention span,and poor judgement. In other words the work done is poor but the person taking the drug never notices it is.
4. their capacity to promote irritability, hostiliyt and violence.

In many states (e.g. New York) they can only be prescribed with a special triplicate prescription because they are considered, quite rightly, as dangerous drugs of addiction.

I would like to know why the Navy will not investigate it's own drug abuse. What justification could there be for abuse of its voluntarily enlisted men either physically or mentally. If half the crew are smoking marijuana on board ship why can't this be stopped? Why should the non-smokers be penalized and put in jeopardy by being ordered to take dangerous drugs by a reserve officer who is not a physician?

Wehear of requests for more tax money to buy more ships but a Navy is not just ships it is also people. If we neglct their physical and mental needs and ruin their morale, we are forgetting how the Russian revolution started....on a ship. If we dont remember history we shall be doomed to repeat it.

A Marijuana joint is equivalent to a six -pac of beer and no one can work better after a six-pac. In the confines of a ship it must be possible to search for drugs and dispose of them. The ships officers have to set a leadership example and not drink alcohol while on the ship either (it is also a drug.) The old barbaric days of earlier navies has gone and also gone is the need for the daily ration of rum.

Finally I must once again request that this Subcommittee request a public enquiry into the use and abuse of amphetamines and marijuana on the USS Kalamazoo in the summer of 1979. I ask this not only for my son but for the welfare of all other young men who enlist in the Navy.

Mr. ADDABBO. Is your son still AWOL?

Dr. TERNER. Yes.

Mr. ADDABBO. The FBI has not moved for his arrest or anything? How long has he been AWOL?

Dr. TERNER. Two years now, one and a half, two years.

Mr. ADDABBO. This committee has jurisdiction over the dollars of the Defense Department and cannot conduct inquiries as you have requested. We will request the Navy look into this. All I can advise you, as a friend, is if your son doesn't return, there is every likelihood he will eventually be arrested and be charged criminally.

The best way to air it—and this is strictly free advice, and usually that is not worth much—but if you want to air it, have him return and there would be a trial on his question of being AWOL. At that time he would be given full opportunity to speak in his own defense and all these matters would be properly looked into.

In the meanwhile, as you say, this committee has been very concerned with drug use and abuse in the military and has a continuous investigation as far as that problem is concerned and will continue to do so.

We will use the facts you outlined here as part of that investigation. Hopefully, the Navy and your son may work out their difference.

Dr. TERNER. Thank you very much, Mr. Chairman. I noted the gentleman who left, Mr. Dicks, said the subcommittee dealt with finances but also with human rights of the personnel.

Mr. ADDABBO. What we were discussing was the medical care given to dependents and retirees at military facilities. That is what he had reference to. As far as conditions, we can look into it generally, but, again, that is the responsibility of the Oversight Committee of the Legislative Committee.

Again, we will give this to our investigators and ask them to look into it. Hopefully, the Navy will be in touch with you shortly as to what can be done to alleviate your anxieties and, more importantly, see what can be done to help your son.

Dr. TERNER. That means there will be a public inquiry, an independent public inquiry?

Mr. ADDABBO. It all depends. If there was a trial, the trial would have to be public.

Dr. TERNER. I don't think my son is coming back at this point. I have no way of bringing him back. I am requesting this investigation. I felt as a member of this society for 25 years and a contributing member, I had a right to request that.

Mr. ADDABBO. I don't know enough about military justice or law. I can't see them having an inquiry without the person being present to testify, because, again, all they would have would be the testimony or the information derived from the people in the service.

Dr. TERNER. They have plenty to work on. They have the names of the people.

Mr. ADDABBO. But, again, there would be no contradiction to them. If their story was completely contrary to your son's story, unless your son was there to substantiate those charges, there would be no sense, no reason, no basis for an inquiry. It would almost be a kangaroo court of condemnation. That I know you would not want.

Again, we appreciate your bringing this information to the committee. We will pass it on to the Navy. Hopefully they will be in touch with you and further alleviate your problems.

Dr. TERNER. Would you recommend a public inquiry?

Mr. ADDABBO. No. This committee cannot recommend a public inquiry. That is the purview of the Oversight Committee. We will ask they look into it. As far as our jurisdiction is concerned, as far as drug abuse in the services is concerned, that we will definitely look into.

Dr. TERNER. May I ask a question, Mr. Chairman?

Mr. ADDABBO. Sure.

Dr. TERNER. I don't quite understand. When there was the problem with the *Nimitz* there was a big inquiry, and a big inquiry done. Of course, it was a major disaster and lots of publicity.

Mr. ADDABBO. The inquiry there, Dr. Terner, was on the general question of drug abuse in the military. The military had its inquiry aboard the *Nimitz* because there were deaths aboard the *Nimitz* and they have to investigate the cause of those deaths and the accident.

This is a question of your son being AWOL, an individual case, and unless and until there is a public trial with your son present, they could not have an inquiry into that.

Dr. TERNER. I agree it is a question of him being AWOL. It is also a question of there being drug abuse in the ship by many people.

Mr. ADDABBO. That point, as I said before, we are very interested in, in the Navy, in the services. That will be in the interests of the committee in its continuing investigation. It cannot be on an individual basis.

Mr. McDade?

Mr. MCDADE. Dr. Terner, the chairman has given good advice. If you know where your boy is and can get him to go back——

Dr. TERNER. I just told you I can't. I'm telling you the truth.

Mr. MCDADE. I'm saying the chairman gave you good advice. I want to echo it. If you know where he is and can get him to go back, that brings the issue together. Then there is an adjudicative proceeding involved in the Navy. What has happened will be looked into. The chairman has said this committee will look into the question of drug abuse on that ship. If you can get your boy to go back—if you can, and I know that's hard thing to do—if you can, then I want to echo his recommendation that you attempt to do that, because that then brings the issue to a head. Then your own member, your own senators, et cetera, can help you. This committee will maintain an interest in it as well.

Mr. ADDABBO. Staff tells me—and that is why I say without your son's presence—the staff tells me they have questioned the Navy on this. As I would guess, all parties concerned have denied most of the allegations that you have given to this committee.

Unless they have the testimony and proof or evidence by your son or others, there is no further basis for an inquiry. As we tried to state, if your son wants to have a public inquiry on it, he would have to be there and be able to refute any testimony.

Dr. TERNER. May I ask who the parties were?

Mr. ADDABBO. I am sorry?

Dr. TERNER. Who were the parties they inquired from?

Mr. ADDABBO. We inquired of the Navy and they advised us, the staff, that they had raised the points with the men that you have mentioned, and naturally the allegations were denied.

Dr. TERNER. You mean the staff of the—the commander?

Mr. ADDABBO. Our staff, our committee staff contacted the Navy and the Navy advised us that they have been in touch with the men aboard the *Kalamazoo* and they denied any improper actions had been taken by them.

Again, they have made that inquiry. The next step would have to be with your son in actual testimony before the Navy.

Dr. TERNER. How come they haven't let me know then?

Mr. ADDABBO. Red tape takes time.

Dr. TERNER. Two years? I have lots of time.

Mr. ADDABBO. Sometimes justice runs very slow. Again, we appreciate your testimony here. We will continue pressing our fight against drugs and drug abuse in the military so that whatever may have happened to your son in the service will not happen to others as we press our fight against drug abuse in the services.

TUESDAY, AUGUST 10, 1982.

HALTING THE NUCLEAR ARMS RACE

WITNESS

MRS. FRANCES TRUSAL

Mr. ADDABBO. Our next witness is Mrs. Frances Trusal.

Mrs. TRUSAL. Thank you, Mr. Chairman.

Mr. ADDABBO. Your entire statement will be made part of the record. In the interests of time, we would ask you to summarize it for the committee.

STATEMENT BY MRS. TRUSAL

Mrs. TRUSAL. I am Frances Trusal. I am here representing, first of all, the Presbytery of Kiskiminetas of the United Presbyterian Church in the USA, and am currently serving as President of the United Presbyterian Women of our presbytery. It has approximately 20,000 United Presbyterians in a 5-county area of Western Pennsylvania. I was appointed by the Presbytery to bring a message to you to convey their concern and mine over the nuclear arms race and the nuclear freeze proposal.

The United Presbyterian Church in the USA is comprised of 15 synods with a membership of over 2,500,000 people. As of June 1, 1982, 12 of those 15 synods, 103 out of 151 presbyteries and over 9,000 individual church sessions have endorsed the proposal for a mutual U.S.-Soviet nuclear weapons freeze. Each of you have been given a copy of this proposal.

The only proposal is the first paragraph in dark print. I am currently serving as President of the United Presbyterian Women in the Presbytery of Kiskiminetas.

PEACEMAKING IN THE UNITED STATES

We are very interested in the idea of peacemaking in the United States.

First of all, we are not pacificists. We do not ask for a unilateral throwing down of arms but a halt in the testing, production and employment of additional nuclear weapons and the missiles and aircraft that deliver them. We believe that there has to be a reversal in the thinking that bigger and more is better, and now is the time that we are saying: Stop, we have enough.

It has been pointed out to us in many publications recently by figures from the Pentagon we have enough nuclear power to wipe out every Soviet city of 100,000 or more people thirty-five times over, and Russia could wipe out every U.S. city of 100,000 or more people twenty-eight times over. The nuclear force of one Poseidon submarine can devastate every Soviet city of 150,000 or more

people, and we now have at least 31 of those Poseidon plus other Polaris submarines, and now the Navy wants 30 Tridents, which are even far more powerful than those we have.

What possible justification could you have for manufacturing more?

It is my undestanding that the most powerful bomb that we had in World War II had the force equal to 10 tons of TNT. In today's military arsenal, one nuclear warhead has the explosive power equal to 9 million tons of TNT. As Philip Morrison of MIT helps us to understand that staggering amount, that if you were to put that on railroad cars, it would last from Pittsburgh to the Pacific Ocean.

General Omar Bradley told us 20 to 30 years ago that we have unlocked the mystery of the atom and forgotten the Sermon on the Mount. We have marvelous uses of the breaking of the atom, but we are going too far in the opposite direction.

MILITARISM IS OUR NUMBER ONE INDUSTRY

Militarism is our number one industry on the planet earth, but spending on nuclear weapons produces fewer jobs than spending on social programs such as health, education and mass transit. The money spent on military research and development exceeds that spent on research and development on every human problem of hunger, education, energy and health put together. What has happened to our thinking when healthy bodies, educated minds of the young people of our nation comes after nuclear weapons, that they are not important anymore.

It took 35 years for this country to expend $2 trillion on the military and now we propose to spend another $1½ trillion on it before the next five years is up. In Robert McNamara's words, "Security is fundamental, but in military matters as in many other matters in life, more is not necessarily better. Beyond a prudent limit, more can be very much more worse. We are buying greater risk, greater danger."

The American people have been misled many times in the past years with rumors that Russia is ahead in one category or another and we must catch up, only to be told much later that the gap didn't exist. "We are now, with everything else aside, at a time when we must realize that either the U.S. and the Russians learn in some way to live together or we will all perish together at just about the same time," states Reverend Richard Watt, a dedicated peacemaker.

I am also speaking to you as a concerned, yes, even frightened nurse and mother who reads and listens to all the rhetoric flowing back and forth between the President and Congress with proposals and counterproposals, increases and cuts, and wonder if the quality of human life in America is no longer important.

What possible good is to be gained by the spending of additional billions even trillions of dollars on defense and more nuclear weapons buildup when all around us there is more and more hunger, and poor become poorer, the sick become sicker, and violence is perpetrated on innocent women and children by frustrated, angry husbands and fathers. I have observed this kind of abuse in these areas and, believe me, it is terrifying to see or be involved with.

SCIENTIFIC VERSUS SOCIAL FIELDS

My husband and I have four children. We live in Indiana, Pennsylvania. We are from Mr. Murtha's district. Our oldest child, now 24, graduated from college in the chemistry field and she was able to get a job. However, our second daughter, who loves working with children and youth, graduated in the social sciences field and everywhere she applies, in both Ohio and Pennsylvania, it is the same story: Sorry, but with the lack of funds we can't even manage the few people we now have.

Or: Sorry, but with the budget cuts we are not sure that can even open in the fall.

Only one person in her entire major has been able to find a job, and this is but an example of thousands who are out of colleges and high schools who want to work but can't find jobs. But worse than or as bad as no jobs is the fact that the children who need this care and these services the most are the ones suffering most.

What kind of justice is it that lets millions of people go hungry and malnourished and unclothed—yes, unclothed, because there are children in America and in our own counties who don't go to school many days, because they don't have shoes or clothes to wear, especially in cold weather.

MUTUAL AND VERIFIABLE FREEZE

Isn't a mutual and verifiable freeze an infinitely better solution? We have been told that our satellites are so highly sophisticated that we are able to read a license plate in the Soviet Union.

Now I ask you, have you ever seriously thought what it would be like to evacuate Washington, D.C. under threat of a nuclear attack? I'm sure you have all been in the rush-hour traffic jams when all you really wanted to do was just get home from work.

Add to that the panic that would spread among people who were dead certain that a nuclear attack was imminent. Cars stall, people try to go around them, accidents happen and suddenly no one can move. You picture what follows.

Meanwhile, are we to believe the Soviets are calmly waiting out there with their finger on the button for three to eight days—a minimum we are told—until this city and all others like it are evacuated, so they can attack. Even our junior high school kids don't believe that.

But you might say, "Oh, come on now, you're making it worse than it is. If we all pull together, we can make it." Make it? Through what? Nuclear attack? Very few will make it through a nuclear attack and many of those who do will wish they hadn't.

FILM "THE LAST EPIDEMIC"

I just recently saw again a film produced from a Symposium on Nuclear War, held by the Physicians for Social Responsibility called, "The Last Epidemic." If you haven't seen it, you should, and if you didn't see it, I shouldn't have to be here today to plead with you to cut defense spending for nuclear weapons and stop the drastic cutting of the social programs so sorely needed in this country. In this film we see actual footage of the destruction caused with

the bombing of Hiroshima and Nagasaki and the nuclear weapons we now have are 70 times more powerful than those were.

Doctors and nurses are just like everyone else; many would be killed, many more critically injured and even those who could possibly still function, if they were willing to expose themselves to the high radiation, would have no equipment, no facilities, no supplies, no life-saving blood etcetera, and could not remotely begin to treat the kinds of injuries and burns suffered in a nuclear attack.

There are only 2,000 beds in the United States now that could treat burns suffered in a nuclear attack. The mathematical logistics of the whole thing might look plausible on paper, but you and I both know it is impossible.

It is our fervent prayer that you will listen to the American people who elected you and what they are saying about the government spending and the threat of nuclear war that will be upon us in this decade if we don't stop this senseless arms race that is a very real and present threat to life and survival on this earth.

We pray daily for you, that you will be strengthened and given wisdom and guidance for the work which you must do.

Please take time to read the printed sheet of information on the nuclear freeze proposal given to you.

Thank you for giving me the time in your busy schedule to appear before you.,

[The statement of Mrs. Trusal follows:]

STATEMENT OF FRANCES TRUSAL TO THE HOUSE SUB-COMMITTEE ON DEPARTMENT OF DEFENSE APPROPRIATIONS.

Mr. Chairman, Members of the Committee:

My name is Frances Trusal. I am here representing first of all the Presbytery of Kiskiminetas of the United Presbyterian Church in the U.S.A. and as currently serving as President of the United Presbyterian Women of our Presbytery. It has approximately 20,000 United Presbyterians in a 5 county area of Western Pennsylvania. I was appointed by the Presbytery to bring a message to you to convey their concern and mine over the Nuclear Arms Race and the Nuclear Freeze Proposal.

The United Presbyterian Church in the U.S.A. is comprised of 15 Synods with a membership of over 2,500,000 people. As of June 1, 1982, 12 of those 15 Synods, 103 out of 151 Presbyteries and over 900 individual church sessions have endorsed the proposal for a Mutual U.S. - Soviet Nuclear Weapons Freeze. Each of you have been given a copy of this proposal.

First of all we are not pacifists. We are not asking for a unilateral throwing down of arms, but a halt in the testing, production and deployment of additional nuclear weapons and the missiles and aircraft that deliver them. We believe that there has to be a reversal in the thinking that bigger and more is better and now is the time to say "Stop! Enough is enough!"

It has been pointed out to us by figures from the Pentagon, that the U.S. already has the power to wipe out every Soviet city of 100,000 or more people 35 times and Russia could wipe out every U.S. city of 100,000 or more people 28 times. The nuclear force of one Poseidon submarine can devastate every Soviet city of 150,000 or more people and we have at least 31 Poseidon submarines now plus some Polaris submarines, yet the Navy wants 30 new Trident submarines that are even more powerful. What possible justification could you have to manufacture more?

It is my understanding that the biggest most devastating bomb we could throw at the Germans in WW II was called a "blockbuster", which contained explosive

force equal to 10 tons of TNT. In today'smilitary arsenal, one nuclear warhead has the explosive power equal to 9,000,000 tons of TNT! As Philip Morrison of MIT helps us to understand that staggering amount, if you were to start loading it onto freight cars to make 9,000,000 tons you would have so many cars you could start it at Pittsburgh, Pa. and it would run off into the Pacific Ocean, and our landscape is dotted with 10's of thousands of them! We have become a world of nuclear giants and ethical infants. As General Omar Bradley said some 20-30 years ago,"We have unlocked the mystery of the atom and forgotten the Sermon o n the Mount."

Militarism is our number one industry on the planet earth, but spending on nuclear weapons produces fewer jobs than spending on social programs such as health, education and mass transit. The money spent on military research and development exceeds that spent on research and development on every human problem of hunger, education, energy and health put together! What has happened to our thinking when healthy bodies, educated minds and conserving the God-given resources of this earth have had to be shoved to the bottom of the list and suffer cut after cut to achieve more "military readiness" and more and more "national security?"

It took 35 years for this country to expend 2 trillion dollars on the military and now we propose to spend another 1½ trillion dollars on it before the next 5 years is up. In Robert McNamara's words, "security is fundamental, but in military matters as in many other matters in life, more is not necessarily better. Beyond a prudent limit, more can be very much worse! We are buying greater risk, greater danger!"

The American people have been misled many times in the past years with rumors that Russia is ahead in one category or another and we must "catch-up" only to be told much later that the gap didn't exist. "We are now, with everything else aside, at a time when we must realize that either the U.S. and the Russians learn in some way to live together or we will all perish together at just about the same time!"states Rev. Richard Watt, a dedicated peacemaker.

I am also speaking to you as a concerned, yes even frightened nurse and mother who reads and listens to all the rhetoric flowing back and forth between the President and Congress with proposals and counter proposals, increases and cuts and wonder ifthe quality of human life in America is no longer important.

What possible good is to be gained by the spending of additional billions even trillions of dollars on defense and more nuclear weapons build-up when all around us there is more and more hunger, the poor become poorer, the sick become sicker and violence is perpetrated on innocent women and children by frustrated, angry husbands and fathers. I've observed this kind of abuse in these areas and believe me it is terrifying to see or be involved with.

My husband and I have four children. We live in Indiana, Pennsylvania. Our oldest child, now 24, graduated from college in the Chemistry field and she was able to get a job. However our second daughter, who loves working with children and youth, graduated in the Social Sciences field and everywhere she applies, in both Ohio and Pa., it's the same story, "sorry, but with the lack of funds we can't even manage the few people we now have" or "sorry, but with the budget cuts we're not sure that we can even open in the fall." Only one person in her entire major has been able to find a job and these are but an example of thousands who are out of colleges and high schools who want to work, but can't find jobs. But worse than or as bad as no jobs is the fact that the children who need this care and these services the most are the ones suffering most.

What kind of justice is it that lets millions of people go hungry and malnourished and unclothed, yes unclothed, because there are children in America and in our own counties who don't go to school many days, because they don't have shoes or clothes to wear, especially in cold weather.

Isn't a mutual and verifiable freeze an infinitely better solution? We've been told that our satellites are so highly sophisticated that we are able to verify compliance with a mutual freeze. Is it not more acceptable to propose

this mutual freeze to the Soviets and spend the time and money on serious negotiations toward it than spend billions of dollars on stockpiling nuclear weapons and the so called "crisis relocation plans" being proposed to evacuate our large cities in the event of a threat of nuclear attack. President Reagan says we must "catch up" to plans that the Soviets already have to evacuate their large cities.

Now I ask you, have you ever seriously thought what it would be like to evacuate Washington D.C. under threat of a nuclear attack? I'm sure you've all been in the rush hour traffic jams when all you really wanted to do was just get home from work. Add to that the panic that would spread among people who were dead certain that a nuclear attack was imminent. Cars stall, people try to go around them, accidents happen and suddenly no one can move. You picture what follows! Meanwhile, are we to believe the Soviets are calmly waiting "out there" with their finger on the button for 3 - 8 days(a minimum we are told)until this city and all others like it are evacuated, so they can attack! Even our Junior High School kids don't believe that! But you might say "Oh, come on now! You're making it worse than it is. If we all pull together we can make it." Make it?! Through what? Nuclear attack? Very few will make it through a nuclear attack and many of those who do will wish they hadn't!

I just recently saw again a film produced from a Symposium on Nuclear War, held by the Physicians for Social Responsibility called, "The Last Epidemic." If you haven't seen it you should and if you did see it I shouldn't have to be here today to plead with you to cut defense spending for nuclear weapons and stop the drastic cutting of the social programs so sorely needed in this country. In this film we see actual footage of the destruction caused with the bombing of Hiroshima and Nagasaki and the nuclear weapons we now have are 70 times more powerful than those were!

Doctors and nurses are just like everyone else. Many would be killed,

many more critically injured and even those who could possibly still function, if they were willing to expose themselves to the high radiation would have no equipment, no facilities, no supplies, no life saving blood etc., and could not remotely begin to treat the kinds of injuries and burns suffered in a nuclear attack.(4) The mathmatical logistics of the whole thing might look plausible on paper, but you and I both know it is impossible!

It is our fervent prayer that you will listen to the American people who elected you and what they are saying about the government spending and the threat of nuclear war that will be upon us in this decade if we don't stop this senseless arms race that is a very real and present threat to life and survival on this earth!

We pray daily for you, that you will be strengthened and given wisdom and guidance for the work which you must do.

Please take time to read the printed sheet of information on the Nuclear Freeze Proposal given to you.

Thank you for giving me the time in your busy schedule to appear before you.

THE UNITED PRESBYTERIAN CHURCH IN THE UNITED STATES OF AMERICA

Human beings are separated from God because of the refusal to acknowledge that God is the creator and Lord of the world. Because of this separation, we experience separation from other people and division within our own lives.

For Christians, this separation is not the final word. God, through Jesus Christ, gives us the undeserved gift of grace which allows for a new and whole relationship between God and God's people. This gift of grace we experience as peace ("Shalom" is the Hebrew word: it also means wholeness and harmony).

In response to the good news of God's gift of grace, Christians go out into the world pointing to and becoming part of God's peace giving. Hence, we become peacemakers.

Christian peacemakers work for peace wherever they encounter our conflict-filled hurting world. They seek peace in their own lives, in their families, their churches, communities, nation, and in the world. They work for peace in all these areas because God is at work in each one of them.

In 1980, the 192nd General Assembly of the United Presbyterian Church adopted the report: "Peacemaking: The Believers' Calling" and designated peacemaking as a priority for the denomination. Since that date, many congregations, presbyteries, and synods have found ways to do peacemaking through worship, pastoral care, education, outreach, and their other ministries.

In 1981, the 193rd General Assembly, reiterating the Assembly's long standing concern about the danger of the nuclear arms race for the survival of humanity, endorsed the "Call to Halt the Nuclear Arms Race", a proposal for a mutual U.S.-Soviet Nuclear Weapons Freeze. The General Assembly is asking each congregation to study the "Call to Halt the Nuclear Arms Race (Nuclear Weapons Freeze)" and to consider endorsing it. The freeze text, questions and answers about the freeze, and suggestions for congregations follow.

CALL TO HALT THE NUCLEAR ARMS RACE

Proposal for a Mutual US-Soviet Nuclear Weapons Freeze

To improve national and international security, the United States and the Soviet Union should stop the nuclear arms race. Specifically, they should adopt a mutual freeze on the testing, production and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons. This is an essential, verifiable first step toward lessening the risk of nuclear war and reducing the nuclear arsenals.

The horror of a nuclear holocaust is universally acknowledged. Today, the United States and the Soviet Union possess 50,000 nuclear weapons. In half an hour, a fraction of these weapons can destroy all cities in the northern hemisphere. Yet over the next decade, the U.S. and USSR plan to build over 20,000 more nuclear warheads, along with a new generation of nuclear missiles and aircraft.

The weapon programs of the next decade, if not stopped, will pull the nuclear tripwire tighter. Counterforce and other "nuclear warfighting" systems will improve the ability of the U.S. and USSR to attack the opponent's nuclear forces and other military targets. This will increase the pressure on both sides to use their nuclear weapons in a crisis, rather than risk losing them in a first strike.

Such developments will increase hairtrigger readiness for massive nuclear exchange at a time when economic difficulties, political dissension, revolution and competition for energy supplies may be rising worldwide. At the same time, more countries may acquire nuclear weapons. Unless we change this combination of trends, the danger of nuclear war will be greater in the late 1980s and 1990s than ever before.

Rather than permit this dangerous future to evolve, the United States and the Soviet Union should stop the nuclear arms race.

A freeze on nuclear missiles and aircraft can be verified by existing national means. A total freeze can be verified more easily than the complex SALT I and II agreements. The freeze on warhead production could be verified by the Safeguards of the International Atomic Energy Agency. Stopping the production of nuclear weapons and weapon-grade material and applying the Safeguards to U.S. and Soviet nuclear programs would increase the incentive of other countries to adhere to the Nonproliferation Treaty, renouncing acquisition of their own nuclear weapons, and to accept the same Safeguards.

A freeze would hold constant the existing nuclear parity between the United States and Soviet Union. By precluding production of counterforce weaponry on either side, it would eliminate excuses for further arming on both sides. Later, following the immediate adoption of the freeze, its terms should be negotiated into the more durable form of a treaty.

A nuclear weapons freeze, accompanied by government-aided conversion of nuclear industries, would save at least 100 billion each in U.S. and Soviet military spending (at today's prices) in 1981-1990. This would reduce inflation. The savings could be applied to balance the budget, reduce taxes, improve services, subsidize renewable energy, or increase aid to poverty-stricken third world regions. By shifting personnel to more labor-intensive civilian jobs, a nuclear weapons freeze could also raise employment.

Stopping the U.S.-Soviet nuclear arms race is the single most useful step that can be taken now to reduce the likelihood of nuclear war and to prevent the spread of nuclear weapons to more countries. This step is a necessary prelude to creating international conditions in which:

- further steps can be taken toward a stable, peaceful international order;
- the threat of first use of nuclear weaponry can be ended;
- the freeze can be extended to other nations; and
- the nuclear arsenals on all sides can be drastically reduced or eliminated, making the world truly safe from nuclear destruction.

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SOME QUESTIONS OFT CALL TO HALT THE N

1. What exactly is the proposal for a nuclear weapons freeze?

The proposal for a nuclear weapons freeze is an appeal to both the Soviet Union and the United States to stop testing, producing and deploying nuclear weapons and the missiles and aircraft that carry nuclear weapons. Neither nation is being asked to destroy any of the weapons it currently possesses. The proposal simply asks that both nations cease building additional nuclear weapons.

2. Why is the nuclear weapons freeze being suggested?

The nuclear weapons freeze would stop a dangerous nuclear arms race that has been going on between the United States and the Soviet Union since 1945 with the development of the Hiroshima atom bomb. In the nuclear arms race, each nation has attempted to keep up with or surpass the other through the power, numbers and accuracy of its nuclear weapons and delivery systems. It has now reached a stage in which the following are realities:

- The Soviet Union can destroy every U.S. city of over 100,000 in population 28 times. The United States can destroy every Soviet city of 100,000 or more 35 times. The nuclear arsenals of the U.S. and the USSR now equal more than 3 tons of TNT for every person on earth.
- A single U.S. Navy Poseidon submarine can devastate every city in the Soviet Union with a population over 150,000 and this power represents less than 2% of the U.S. force. The warheads of a Poseidon have a greater total explosive force than was used in all of Europe and Japan in World War II.
- The United States now has approximately 9,000 strategic nuclear warheads; the Soviet Union has approximately 7,000. Only one of them, a one-megaton bomb exploded in a surface blast over Detroit would result in 220,000 immediate deaths and half a million injuries with 70 square miles of property destruction. Additional deaths would occur because of radiation poisoning. A 25-megaton blast over the same area would kill 2.2 million people immediately and 1.1 million people would be injured.

If the arms race continues, the economic cost for both countries will be substantial. In 1981, the Department of Defense estimated $200 billion in expenditures for strategic nuclear weapons alone for the next 5 years.

3. Why is now a good time for a freeze?

Now is an appropriate time for a freeze because the nuclear military strengths of the U.S. and the Soviet Union are roughly equivalent—in parity. As former Secretary of Defense Harold Brown observed in January of 1981:

"Aggregate comparisons have been made over the years. Today, such comparisons lead me to the conclusion that while the era of U.S. superiority is long past, parity—not U.S. inferiority—has replaced it, and the United States and the Soviet Union are roughly equal in strategic nuclear power." Neither side is behind so neither side has to fear being "locked in" to an inferior position.

If either nation implements plans now to produce even more highly accurate and powerful nuclear weapons, the other nation may feel pressure to "catch up" and the arms race will continue to be escalated. Both the Soviet Union and the U.S. are developing technology designed to destroy existing nuclear weapons sites and reduce the possibility of retaliation. These developments could increase the possibility that a nation under pressure might adopt a strategy for firing first.

Another new development is that of the cruise missile. Now being developed by the U.S. with the Soviet Union likely to follow suit, the cruise missile, if deployed would be difficult to verify with existing technology. It can be as small as 20 feet, travel 100 feet above the ground (beneath radar detection) and deliver a nuclear warhead with great accuracy after a flight of up to 1,500 miles. If these missiles are deployed, nuclear arms negotiations will be even more difficult because neither side will be able to detect the arsenals of the other.

4. What is the scope of the nuclear freeze? What would be covered by this proposal?

It would include the following:

1. Underground nuclear testing
2. The testing, production and deployment of all missiles and new aircraft which have nuclear weapons as their sole or main payload.

This includes:

US DELIVERY VEHICLES

In Production:

Improvements on Minuteman Inter-continental ballistic missiles
Trident I Submarine-launched ballistic missile
Air-launched cruise missile

In Development:

MX Inter-continental ballistic missile

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EN ASKED ABOUT THE UCLEAR ARMS RACE

Trident II Submarine-launched ballistic missile
Long-range ground- and sea-launched cruise missiles
Pershing II Intermediate range ballistic missile
New bomber

SOVIET DELIVERY VEHICLES
In Production:
SS-19 Inter-continental ballistic missile
SS-N-18 Submarine-launched ballistic missile
SS-20 Intermediate range ballistic missile
Backfire bomber

In Development:
Improvements on SS-17, SS-18, SS-19 Inter-continental ballistic missiles
New Inter-continental ballistic missiles
New Submarine-launched ballistic missile (SS-N-20)

3. Land and submarine-based launch tubes
4. Increasing the number of warheads on existing missiles and bombers
5. The production of fissionable material (enriched uranium and plutonium) for weapon purposes
6. The production of nuclear weapons (bombs)

5. Is the Soviet Union likely to agree?

No one can say for sure until the Soviets are actually asked. The Soviet Union, however, did sign SALT II and has made five proposals on a nuclear freeze and freeze-related issues since 1973—to either the UN General Assembly, the UN Secretary General or the UN Disarmament Committee.

It is in the interest of the Soviet Union to support the freeze while the nuclear forces of the U.S. and the Soviet Union are roughly in parity.

6. Is the freeze verifiable?

Both nations have very sophisticated mechanisms to verify agreements on arms limitations. Called "national technical means", these mechanisms include photo reconnaissance satellites and various other monitoring devices. The U.S. has been using these to assure the Soviet compliance with SALT I. These mechanisms are particularly accurate in monitoring production and testing of intercontinental and medium-range missiles and aircraft, deployment of weapon-grade fissionable material, and testing of nuclear warheads.

Where national technical means of detection would be less certain—for example, for clandestine production of additional warheads out of existing surplus stocks of weapon-grade material—any cheating would produce only a small amount of weapons. The risk of detection would be considerable. The benefits of the small-scale activities that might be undertaken would be negligible.

7. Won't a freeze mean a loss of jobs for the people who work in the defense industry?

Most employees in military industries work on conventional rather than nuclear weapons. Thus, the number of people put out of work by a nuclear weapons freeze would be only a small part of the total military industry employment. Congress is now considering legislation to provide for transitional job retraining, layoff payments, and capital reinvestment programs to alleviate any unemployment arising from a cutback in weapons production. In addition, spending on nuclear weapons produces many fewer jobs than spending on social programs such as health, education, and mass transit. Thus, after a period of transition, the nuclear weapons freeze may even increase total employment if the government decides to spend the money on health, education and other social needs. A government-aided transition, funded by savings from the freeze, would stimulate the economy and our national welfare would benefit.

8. Who is currently supporting the freeze?

As of August, 1981 the proposal is suported by 14 congresspersons, various church organizations, Physicians for Social Responsibility, the National Board of the YMCA, several defense analysts, the New York State Assembly, the Oregon State Legislature, and the Massachussetts State Legislature. The nuclear weapons freeze won on the 1980 ballot in 3 state senatorial districts in Massachusetts. Some 60% of the voters approved the freeze. Of the 33 towns in these 3 districts in which the majority voted for President Reagan, 30 also supported the freeze.

9. Have other General Assemblies (besides the 193rd General Assembly in 1981) adopted statements on the arms race?

Yes. In the last 35 years, General Assemblies have often adopted statements on the arms race. In 1946, one year after the Hiroshima and Nagasaki bombs, the General Assembly called for "an immediate cessation of the manufacture of atomic bombs," lest we be "a contributor to an atomic armament race." Subsequent General Assemblies have called for the reduction and elimination of weapons of mass destruction (1956, 1960, 1963, 1971); the end of nuclear weapons testing, including a Comprehensive Test Ban Treaty (1963, 1964, 1967, 1971, 1978); and the conclusion and ratification of the Strategic Arms Limitations Treaty II (1978, 1979).

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SOME SUGGESTIONS FOR UNITED PRESBYTERIAN CONGREGATIONS:

1. Study the freeze proposal as a response to the nuclear arms race. Ask your peacemaking task force, Christian Education Committee, etc. to lead the study. The session of the church might have their own study or be encouraged to be a part of the congregation study.

2. Make copies of this document available to members of the congregation for their study, prayers and consideration. Copies are available from Presbyterian Distribution Service, Room 935, 475 Riverside Drive, New York, New York 10115. The PDS item number is #919-01-707. Please send 15¢ for each copy. PDS will add a $1.00 handling charge if you wish to be billed.

3. A nuclear freeze study and action guide is also available from Presbyterian Distribution Service. Prepared by the Peacemaking Project, it contains additional information on the arms race and the nuclear weapons freeze proposal, a guide for leading discussions of the freeze and some action suggestions for those committed to the freeze. The PDS item number is #919-01-708. Please send $2.50 for each copy. PDS will add a $1.00 handling charge if you wish to be billed.

4. Ask the session to consider endorsing the freeze. The General Assembly urged congregations to consider endorsement prior to the 194th General Assembly (1982).

5. Since the General Assembly asked the Peacemaking Project to report to the 194th General Assembly on actions taken by congregations, presbyteries and synods, please let the Peacemaking Project know by May 15, 1982 of any action taken by your session. Ask your clerk of session to write to: The Reverend Richard L. Killmer, Director, the Peacemaking Project; indicating the action and the date.

6. Request your presbytery's peacemaking task force to assist congregations in the study of the nuclear weapons freeze proposal and to lead a discussion on the floor of presbytery.

7. Congregations that endorse the freeze may wish to consider the following follow-up activities:
   a. Inform your congressperson and the two senators from your state of your endorsement.
   b. Provide an opportunity for members of the congregation to sign a petition supporting the freeze or to send their own letters of endorsement to their congresspersons or to visit their congressperson and senators when they are home in their districts.
   c. Join with church persons and others in supporting the freeze in your locality.

Peacemaking: The Believers' Calling

The Peacemaking Project
Program Agency UPCUSA
Room 1101 475 Riverside Drive
New York, New York 10115
(212) 870-3326

Mr. ADDABBO. Thank you for your comprehensive statement.

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TUESDAY, AUGUST 10, 1982.

MILITARY READINESS, BENEFITS, AND RETIREMENT

WITNESS

PAUL QUATTROCIOCCHI, JR., MAJOR (RET.) INFANTRY, U.S. ARMY

Mr. ADDABBO. Our next witness is Mr. Paul Quattrociocchi, Jr.

STATEMENT BY MAJOR QUATTROCIOCCHI

Major QUATTROCIOCCHI. Mr. Chairman, members of the committee, to many, this presentation may be a waste of time, since much of what I wish to talk about I believe the Congress has already made their decision on.

First, a brief background of myself. I am 50 years old. I spent over 20 years in the military, and I am a military retiree.

I have the good fortune of being married to an extremely lovely wife and have three children. My concerns are those of a man who has served his country for more than half his adult life in the armed forces and now sees the ignorance of politics once more placing our country in danger of destruction.

MILITARY READINESS

One of the things that I would like to talk about is military readiness. I represent no group except myself. But I feel there are a lot of us out there who feel the same way.

I am not particularly worried about nuclear weapons, mainly because over the last 30 years, I have heard too much rhetoric about what is going to happen when the nukes fall.

But the facts don't bear this out. What the facts do bear out is that a conventional war is extremely possible and we are not ready.

We have placed a fantastic amount of equipment in Europe where we have committed approximately 50 percent of our active forces. That equipment is for reserve component units to pick up in the event of war and fight with.

Gentlemen, that equipment will not be there. That is the second thing the Russians will hit if they ever attack in Europe. The first thing will be the air bases.

Our reserve components who are supposed to pick up that equipment are not ready to fight. Today, as they have in past years, they have taken and will go off to their camps like they have every year and train like they have every year, instead of being put on planes and ships and transported to the areas that they might be fighting in in a war with their equipment; instead of counting on equipment that won't be there.

MILITARY BENEFITS

One of the other areas that concerns me are the military benefits which the military used to have. The John Hancock Insurance Company recently published a slogan for the military marketplace. It states, "Guess what just happened to your military benefits?"

Well, what has happened to the few benefits the military used to enjoy? Their pay took a beating until 1981 when the Congress gave them a decent pay raise. However, in the next breath, the Congress talks about freezing, caps, and targeting; allowances are far from what they should be.

Civilians moving in the same direction the military are moving in get far better allowances than the military do. These people shouldn't make money on a move, but they shouldn't lose it either.

The worst blow is inadequate medical care. The military system used to have the best medical care probably in the world. Today, it is far below any standard I have seen. I happen to be in the insurance business.

I get calls weekly from military families who want to buy civilian insurance. Gentlemen, they can't buy it. That tells me there is something wrong with our military medical system.

RETIREMENT SYSTEM

The retirement system in the military has taken a beating recently. Everybody wants to cut it. Everybody wants to change it.

Gentlemen, I was a reserve officer. I entered the Army as a private, became an officer, and retired as a major, not because I wanted to retire at the end of 20 years.

I was forced to retire by a code Congress passed. It is called Title X of the U.S. Code. It states, any officer in the service for 20 years as a reserve officer must be retired—must be retired.

Yet Congress screams when these people retire at the end of 20 years. Many of us didn't want to retire. The military was our life and we liked it. We did it fairly well.

Retirement has also taken another beating. Congress just passed the ex-spouse pay law. I, for the life of me, cannot figure out why we have to single out the military for such a law.

If this law is necessary, why don't we make it nationwide? Why don't we do it for everybody? Let's start at the top. Let's not start with the military man. Let's start with the President. Let's start with the Congress. Let's not work on the military, the Foreign Service, and the CIA.

Gentlemen, leadership doesn't begin at the bottom, it begins at the top.

A military retiree may retire as old as 37 years old. There are many who advocate that we should delay his pension until age 60 or older.

Many of these people that advocate such really do not know how hard it is for these people to find suitable employment. The problem is the field the retiree is trained in.

For instance, an infantryman is trained to attack and defend against an enemy force. A tank commander is trained to provide shock action of a tank moving through an enemy force. An artil-

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leryman is trained to put maximum help on a target to help the first two.

The men who perform these missions are among the best we have. They have stamina, discipline, they have the ability to learn and the maturity to be dependable.

Yet we find it hard to transfer these highly important skills to civilian industry. It seems no one wants an experienced infantryman to lead in the attack. There are too few tanks to drive and no one wants the artilleryman to shoot his gun.

The pension he gets when he leaves the service, he has to survive on. Gentlemen, a lot of them are not doing that.

If they get a job, they start at the bottom. Put yourself in the position of starting at the bottom at the age of 40 or 50 years old; at the bottom and have a family to support.

There are some in Washington that think military retirees don't have families, don't have mortgages. I am here to tell you: I have a family of kids going to college and will be going to college, and I pay a mortgage each month.

I am not here to toot my horn. I am here to try to bring some attention to the fact that we are not doing things in the proper order.

Every time we make a cut, we talk about cutting welfare, the military, the retiree pay, but we don't talk about where it really is needed.

You start at the top. You start with the leadership and you work down. While I was in the service, it was my job to look at the comfort and safety of people under me before I looked to my own.

Had I done less, this body would condemn me, to put it bluntly. It is your job to look after the people who send you here.

I think the only way you can do that is when there are cuts that have to be made, you look in the mirror and say, I have made all the cuts I can make here, I have to go down below.

You can't ask people to bite the bullet unless the Congress is biting, too.

In my statement, I requested—not requested, but I stated that retirees should be used more. We are the only nation in the world that puts a man out in retirement and says, you are through.

I think that is utterly ridiculous. At the age of 40, I was retired as a major of infantry, and I did have some expertise in that field. I feel we should use it.

We can use it in ROTC positions, as advisors to the National Guard and Reserve; and, believe me, they are sorely needed.

Last, and not least, we have a tendency to hear only the vocal groups, the groups who make a lot of noise and purport to support the feelings of most of the people.

I think most of you sitting here in Congress know full well that is not true. All too often, the leaders of these groups are the ones that come up with what they should support and what they should not.

I think Congress has to get down to the little man again, to the guy in the street, to the guy who is building this country. He works this country, he builds it, and he pays the bills.

I think that's the guy Congress has to talk to more. Besides, he is the guy that sends you here. The other groups are more vocal and

they are in the papers, but they are not what really make America tick.

Ladies and gentlemen, I am not sorry I came here today. It might have been cheaper if I had sent my presentation in. I am proud of the service my country has allowed me to perform in the armed services. I remain deeply committed to the defense of our country in any way I can support.

I am also proud of the three tours I spent in Vietnam, and I am sorry that our leaders appear to be afraid of fighting to keep people free, no matter where the need may develop.

Recently, I read again a book called, "The Ugly American." It is not a new book. It was first put out in 1958. The last edition was put out in 1961.

Gentlemen, this tells everything that has happened in the world as regards communism in the last 25 years.

It is also telling what is happening today and what is going to happen. We are not smart enough to read the books on our shelves, all of us. If we did, we might not be making the same mistakes over again.

Thank you.

[The statement of Major Quattrociocchi follows:]

PRESENTATION MADE TO:

HOUSE OF REPRESENTATIVES

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON DEPARTMENT OF DEFENSE APPROPRIATIONS

Paul Quattrociocchi, Jr.
Major Infantry
United States Army
Retired

Chairman Addabbo,, Congressmen and Congresswomen:

To many this presentation may be a waste of time, since much of what I wish to talk about will have little or no bearing on your decisions. I feel your decisions have already been made and you will follow the path of what is right for the more vocal lobby groups, rather then for people such as I.

First a brief background of myself. I am fifty years old and I spent over twenty years in the United States Army, entering as a Private and retiring in 1973, as a Major. My entire military service was in the Infantry. I have the good fortune to be married to an extremely lovely wife and we have three children ages 19, 17 and 10.

My concerns are those of a man who has served his country for most of his adult life in the armed forces and who now sees the ignorance of politics once more placing our country in danger of destruction.

MILITARY READINESS

First of all I am not overly worried about nuclear weapons. Maybe because I have heard all this scare trash, all too often in the past thirty years. In fact, I see nuclear weapons as a negotiating tool, if one super power is in danger of losing a war.

You see I know something the Russians know, you should know and which should be passed on to the American people. We will never use nuclear weapons first!

The Russians know this and are rapidly building a conventional military force second to none, even while the Congress of the United States continues the destruction of our armed forces, a process began in 1972.

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Our world wide commitments far out strip the military power of our small active forces. To correct this problem, we have placed much of our combat power (40 percent or more) into Reserve and National Guard units, which are supposed to fill the gaps and augment the regular forces in the event of war.

We have placed large stock piles of equipment in Europe for reinforcing troops (Reserve components) to pick up in the event of war and fight with, But the equipment won't be there, even if the troops are ready to fight. The equipment is a priority target and would be the second item on the Russians list to destroy in any attack. Any attack in Europe will be planned as a Pearl Harbor type attack.

Our Reserve forces train as they have trained for many years and in many of the same places. They are not trained in the areas of the world where the unit might be committed if war begins.

Sixty Reserve component units were listed as attending overseas annual training in the 26 January 1981 issue of the Army Times. Of that number there were three artillery units totaling 70 men (figure includes a 15 man group of an air defense unit). Not one infantry or armor unit was listed as attending annual overseas training. I am sure there were other units going, but I believe you can see one of the problems since you can't fight wars without such units.

Our Reserve component units can not be mobilized and ready to fight on short notice as can reserves of other nations. The reason for this is simple, its never been done and we don't practice the technique.

We must also look to the readiness and effectiveness of active forces. Since the inception of the all-volunteer force I believe the quality of our military has deteriorated badly.

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The all-volunteer force will not have the support of the mass of Americans, support which is required if a military force is to be successful. Further, we face the same problem we had during World War II, the regular Army was destroyed buying time to build up the armed forces. We no longer are able to use such tactics, war moves to fast and nations are only hours and minutes away, not days.

MILITARY BENEFITS

The John Hancock Insurance Company recently published a slogan for the military market place, "Guess what just happened to your military benefits".

Well, what has happened to the few benefits military personnel used to enjoy?

Since the end of the draft, his pay has taken a beating, until 1981, when the military received a decent raise, which barely brought them up to what they should have been receiving all along. In the next breath Congress talks of pay freezes, caps and targeting.

Most allowances are inadaquate, such as permanent change of station cash. The individual need not make money on the move but it should not cost him either. It's not the same for the civilian part of government-they receive more.

Probably the worst blow is the loss of adaquate medical care, once the best in the nation and may be the world. Now it is far below anything I have seen. Many civilian welfare standards and care are better then military medical care. The reasons:

The lack of military doctors has caused many male and female active duty personnel to be treated in

civilian facilities. In some instances the care is not satisfactory and it costs the government more then it should have to pay .

Many military hospitals,house more civilian doctors then military.

Pregnancies and most dependent medical problems are handled by civilian doctors, in civilian hospitals. This causes a far greater out of pocket expense for the service member, eating into the decent pay raise just received.

The retirement program is in serious trouble since it appears many in Washington want to change it and all are attacking the program as costly.

Medical care for retirees and their dependents has been cut back at some military hospitals because the reduced staff can not handle the load.

(NOTE: Many military families are trying to purchase civilian medical insurance because of the high out of pocket cost of CHAMPUS.)

All these problems have contributed to the exodus of <u>good</u> soldiers, non-commissioned officers and officers from the armed forces. Congress's answer is to throw money at the problem.

Ladies and gentlemen, I wish to tell you a fact. If the day ever comes that the quality of people we have in the military service are there for the money, we are in serious trouble. The military has never been paid enough and never will be for the job we ask of them.

Instead the people who remain in the armed forces must feel a dedication that he or she is doing the most important work that can be done, in spite of the pay!

You, the Congress of the United States, must give back to the armed forces the respect and its proper place in American life. You have to undo the damage done when the Congress ran away from its responsibilities to the armed forces during the war in Vietnam.

There was a time when the service member could depend on the service to take care of "their own" in the absence of the military member. But the feeling is not there any more and such a loss of trust is not the mark of a good military force.

Another insurance company, Military Benefits Association, also trying to attract military business, came out with a catchy slogan of their own. "Who's protecting your family while your protecting your country?"

The members of the armed forces of the United States are asking the same question?

RETIREMENT

Part of giving a life to the country in the armed forces, is the retirement benefit and all of us have given this much thought. To many of us there were the obsticles of living long enough, the rough assignments, the family separations, etc. More don't retire then do.

In the past few years the Congress of the United States, has seen fit to begin chopping away at the retirement aspect of military service and the retiree is now losing much of what they have worked for.

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When I retired in 1973, we received a once a year cost of living increase plus a one percent kicker to keep us up with inflation. Soon that method was changed to a twice a year increase, no kicker. In 1981, it was changed to one increase a year, no kicker.

The serviceman may be retired, but he still believes and while many complained about doing away with the twice a year increase, most of us didn't complain since we felt that if everyone was to bite the bullet we would also.

But it appears Congress and the office of the budget are getting carried away. Since there are now bills pending to delay, cap or freeze retired pay increases.

Some in Congress are stating that cutting military retirement will save more money then cutting welfare. What these officials are not saying is that welfare (too much of which is gotten through fraud) is buying votes. On the other hand, military retirees worked for their money, but they are to small a group for anyone to really care about.

Other Congressmen want to keep military retirees from collecting military and social security retirement at the same time. Yet, no one mentioned that when they wanted our social security tax dollars for the system.

There is a move to separate military pay, active and retired, from civil service pay. This is another way to place the military active or retired, on the back burner and give them less then everyone else.

Some poorly informed government official stated the CPI now used to grant retiree cost of living increases, should be changed since "most" retirees didn't have the expense of home mortgages or children in college. I don't know where he gets his information but I

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make monthly mortgage payments and have one child in college, one attending college next year and one in a few years down the road. I also feel I am an average military retiree.

We have been attacked and labled as "double dippers" because the military retiree has enough ambition to seek out other employment (some in government), knowing full well that living on a military pension would be impossible.

Because a military retiree may retire as early as thirty-seven, many feel the pension should be cut or delayed until age 60 or older. However, those who advocate such a change really are not aware of the problems of obtaining suitable employment at age 37 or older. The problem is the field the retiree has been trained in eg; an infantryman is trained to attack and defend against enemy forces, a tank commander is trained to provide the shock action of a tank moving through an enemy force and the artilleryman is trained to put maximum "hell" on a target to make it easier for the infantryman and the tanker. The men who perform these missions are among the best we have, they have stamina, discipline, the ability to learn and the maturity to be dependable. Yet, strange as it may be, we find it hard to transfer these highly important skills to civilian industry, it seems no one wants an experienced infantryman leading men in the attack. There are all to few tanks to drive and no one wants the artilleryman to shoot his gun.

The new retiree needs the pension, just to survive on, and even when he finds new employment they usually start at the bottom and don't make enough to live on and support a family.

The Congress and other members of government have been up in arms because so many military people retire after only twenty years of service. No matter that in such a period of time a man could have fought in two wars and had his life in danger numerous times.

Further, this may come as a shock to the members of Congress, but a law passed by Congress forced Reserve officers on active duty to retire after twenty years of active service. The law under title 10 of the United States code, caused myself at age 40, and many others to be retired, not because of inefficiency, or poor duty performance but as in my case, I was not regular army and I couldn't be because I did not have two years of college. It is hard to acquire college credits when you are placed in assignments that leave no time for family , serve three tours in Vietnam, as well as other assignments.

I know many military people commissioned and enlisted who did not want to retire but had little choice.

As I write this, I have been informed that the House of Respresentatives has passed the ex-spouse bill giving away part of the military retiree's pension to an ex-spouse.

There is no indication in the bill to balance the ex-spouse pay. For example:

> What if the ex-spouse attends school while married using the military members pay? Would that constitute the military member being an asset to his ex-spouse's career and earn the military member a portion of the ex-spouse's future retirement earnings, instead of the ex-spouse taking it from the military member?
>
> If the ex-spouse is a woman, will the court look on the situation objectively? They have not been too objective about military divorces in the past, even where the ex-spouse is at fault.
>
> Will the bill treat male and female ex-spouses equally? or will the male be penalized because he is expected to earn his own way?

This extremely broad law will open the way for:

> Assignment of part of the SGLI for the ex-spouse of active duty personnel.
>
> Of forcing the retired military member to join the survivor Benefit program and assigning a portion of retired pay to the ex-spouse for life.
>
> Such a law may even be applied to cover a portion of the social security the military member will collect at age 62 or 65.
>
> Last but not least, as a letter writer to the Army Times stated recently, an ex-spouse could be an ex-spouse of two or more career military members and legally have claim to a number of pensions, because of the so called "contributions" made to the members careers.

This law will increase the incidence of divorce, where may be the problems could have otherwise been worked out.

If you believe this law will be cheap to keep up - think again.

This law will have a negative impact on retention of needed people to keep the armed forces efficient. Many military members will quit before they will give up 50 percent of <u>their</u> earned retirement pay to an ex-spouse who has taken off on the military member, been no help to the military members career, did no more then the spouse of any other person in any job.

Why is it only the military is used this way? If such a bill was to be passed, why not for everyone. Lets start with the President and the Congress, after all leaders should lead. I'm sure that there are many ex-spouses of government officials out there who

are entitled to such benefits. Lets not forget business executives with those large, early retirements.

How about the average worker. I know the ex-spouse would have to wait until age 62 or 65, but shouldn't that person be protected as are the ex-military spouses. Maybe we should require this in every union contract.

One other thing - many American women will love you, especially since more women are remaining in the military for a career and their ex-spouses will have a field day in court.

Last but not least in the retired area. Lets talk about the status of the retiree, his knowledge and expertise.

Only recently did we get smart enough to realize the importance of retired personnel in an emergency and we issued mobilization orders to many.

It is my feeling that retired military personnel should be used to fill ROTC positions and National Guard and Reserve unit advisor positions, down to battalion level. These positions would be ideally suited to the military retired. The knowledge, experience and leadership acquired and developed over a life time of service, would be instrumental in assisting such units if properly used. Further, the cost would be less then what is being paid for a active duty person now filling the same job. For example, a major with over 18 years of service, the cost would be:

	ACTIVE DUTY	RETIRED
Base pay	$2,626,00	$2,626.00
Allowances	529.09	529.09
Total Pay	$3,155.09	$3,155.09
LESS monthly retired pay now being paid		1,888.04
Monthly cost to use a retired major		$1,267.05

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The active duty officer, or non-commissioned officer can be released for assignment with units that need and will suit their age and training. Support services for retired personnel would not change, nor cost any more then it does now.

The last item I wish to address has to do with leadership. There are many kinds of leaders, but I want to talk about you the Congress.

I am certain the American people are about fed up with the petty political party bickering which has caused our economic problems, a loss of confidence in the ability of our armed forces and a feeling that our elected leaders are only looking out for themselves.

You have a tendency to hear only the vocal groups, which make a lot of noise and give the impression they are expressing the views of most Americans. Most average Americans belong to groups and while we may support some of the group views, all to often the group leaders decide what views the group should support and the rank and file members have very little imput into the final product.

You have made it virtually impossible to hear the views of the men and women who work and build this nation and pays the bills.

It would have been easier to have sent in this presentation, but it would be placed with all the other letters you receive. I would have received a nice letter from some clerk thanking me for my effort and it would then be buried, lost forever.

Maybe being here isn't much better and it certainly costs more, but I had to show my concern for a few of the matters I think important, and letters and papers sent to Washington just don't work.

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It really boils down to this. Leaders are supposed to care for those under their command, supervision or for those people who elected them to office. While in the military had I looked to my comfort and safety, before those under me, this body would have been merciless in my condemnation, and rightly so.

Our elected officials appear to be more worried about losing their jobs, then in performing that job in the best way they can.

If cuts must be made in government spending, lets not look at the social security system, military or retired pay, welfare or any other program before our leaders look at themselves first. When was the last time Congress cut some from themselves?

Members of Congress aside from the large salary also receive:

Rent free offices in Washington and in home district.
Office equipment and staffs, travel, telegram and telepone service.
Newsletters
Field Offices
Official expenses outside of Washington.
Overseas travel-government expense.
Unlimited free long-distance telephone service.
Extremely liberal vacation time.
Campaign time using offical funds, time and government facilities.
Liberal retirement benefits after only <u>five years</u> of service.
Free emergency medical care, plus x-ray, laboratory and electrocardiograms anytime.
Haircuts at $3.50.
Reduced meal rates.
Many other benefits too numerous to list.

Elected officials can charge off food and beverage cost in connection with official duties. They may also charge off a residence.

While on active duty in the military, I couldn't convince the IRS that my uniforms should come off taxes.

Since this is an election year, there will be no increases in these benefits, but already there is talk of $70,000 per year salary and I'm sure other increases in benefits.

This is where a leader starts with himself, before he dictates cuts or hardships to those he is responsible for. That's what a good American leader would do.

Revolutionary? I think not. Naive? Maybe, but its the way I believe this country became great and its the only way its going to stay that way.

I wish to publicly thank my wife for assisting me in preparing this paper and for my family for putting up with me in its preparation.

Ladies and gentlemen, I am not sorry I came today. I am proud of the service my country has allowed me to perform in the armed forces, and I remain deeply committed to the defense of our country. I am also proud of the three tours I spent in Vietnam and sorry that our leaders appear to be afraid of fighting to keep people free, no matter where the need may develope.

Thank you,

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Mr. ADDABBO. Thank you for your enlightening statement. I can assure you your statement, whether presented here in person or presented through the mail, will be given full and careful attention by the committee and by myself and the other members of the committee and the staff.

I am sorry you have a very poor regard for your Congress or your elected officials. I assure you we are as dedicated to you and our military as you have been to your service.

You must have been very dedicated to come from private to major.

Every one of us, I assure you, if we weren't dedicated to public service and the people of this country, could go out and earn 10 times what we are making right now.

We believe, as you believe, there is a service to be done, there is a public service to be given to the people of this country. We are doing it; doing it 24 hours a day.

We are not playing around. We are here to give to the country the best of national defense, look to the needs of our military, give them a pay raise, the benefits they are entitled to.

TUESDAY, AUGUST 10, 1982.

EDUCATIONAL PROGRAMS

WITNESSES

FATHER T. BYRON COLLINS, S.J., SPECIAL ASSISTANT TO THE PRESIDENT OF GEORGETOWN UNIVERSITY

L. DEAN PRICE, UNIVERSITY ARCHITECT

MARY S. ALBERT, OFFICE OF THE CHANCELLOR OF THE MEDICAL CENTER

Mr. ADDABBO. Our next witness is Father Byron Collins

STATEMENT OF FATHER COLLINS

Father COLLINS. With me is Mary Medley from the Chancellor's Office of Georgetown University, our medical center.

Thank you. I will be very brief.

ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

The items we have are in the appropriations field. The first item is armed forces health professions, an excellent program. We commend the department for its excellent administration of it and point out there is tremednous benefit coming to the armed forces in the health professions because of the tremendous number of students applying across the nation for this program.

It is very beneficial for the young men and women, as well as the health professions.

There is one small point in the appropriations process that the committee may have missed. It is in the appropriations request of the President under the Public Health Service.

There is a program that asks the stipend given in the Public Health Service be cut. The law applies to both the miltary and the Public Health Service.

In other words, if that one is cut, this also would cause the cut of the armed forces stipend given to the students.

We would like to ask the committee to look at that.

BIOMEDICAL RESEARCH

The next item is the biomedical research. We echo the report given by our university colleague in the research field. Georgetown specifially has an interest in the medical section of the some $800 million, about $81 million is for the biomedical research.

We strongly urge the committee to accept the President's request on that. We participate in it ourselves. We are offering the armed services future service.

The last item is one that may be of some interest to the committee. Georgetown has worked with the Department of Energy over the years in the field of energy production and energy conservation.

As part of our effort, we went to the experts of the—especially the Army—in the energy field, talking to them about a problem similar to ours.

I would like to see if the committee is interested in it.

This is in the question of replacing the gas and oil-burning facilities. The Army Corps of Engineers showed us a list of 40 of those that they would like to propose. There is only one of them before the committee, because they can only afford one a year.

We have done work in the process of an instrument called a fuel cell. This produces electricity and heat. The committee is aware of another section of the Congress had an appropriation on fuel cells. But it is very small and very targeted. The documents are attached.

This is not what we are proposing. We are asking the committee if you would be interested in a joint program with Georgetown and the Army in investigating the financial capability of installing a fuel cell, investigating the installation, that will have as its function that the costs of the installation will be borne by the private sector and the university.

The specific of it are in my testimony. The specific thing we would like to ask is some support. We have spent roughly $800,000 so far in the program.

We are asking the committee for some support. We met with the appropriate officials in the Army and we think they have their support.

I thought the committee might be interested in it.

That's the end of my testimony, Mr. Chairman.

[The statement of Father Collins follows:]

TESTIMONY BEFORE HOUSE APPROPRIATIONS SUBCOMMITTEE ON DEPARTMENT OF DEFENSE APPROPRIATIONS, TUESDAY, AUGUST 10, 1982

Mr. Chairman, Members of the Subcommittee:

I am T. Byron Collins, S.J., Special Assistant to the President of Georgetown University. I am accompanied today by L. Dean Price, University Architect, and Ms. Mary S. Albert from the Office of the Chancellor of the Medical Center. We appreciate very much the opportunity to testify before you today.

There are three issues which we would like to discuss with you today.

1. The Armed Forces Health Professions Scholarship Program (AFHPSP), a very successful program for young health professionals who perform a service payback in the military upon completion of their education.

2. Biomedical research of the DOD with specific emphasis on the University research network.

3. A joint Georgetown-Army project for fuel cell energy cogenerations, part of a National Exemplar energy demonstration project which will develop a new and highly efficient energy source to the point where it is cost-effective for both military installations and universities in the United States.

1. Armed Forces Health Professions Scholarship Program (AFHPSP):

We urge continued support of the approximately 5,000 scholarships of the Armed Forces Health Professions Scholarship Program. In this program, young people (primarily medical students) apply for service scholarships which provide tuition, a living stipend and other educational costs. In return, the student, upon completion of his/her education fulfills a service payback for each year of scholarship support (with a minimum of two years payback).

We have always strongly supported this program which provides the services with their required cadre of physicians, as less cost than the Uniformed Services University of the Health Sciences (USUHS). We have many Georgetown students in the program, including Georgetown graduates completing their post M.D. training and graduates already engaged in service payback who plan on a career in the military.

We are delighted for the services that the program has become so competitive (with 6-8 applicants for the approximately 1,500 new places each year) and we are confident our Georgetown applicants can meet the high competitive standards of the program. We urge continuation of the scholarship program at its present level.

We understand that there continues to be a problem of an insufficient number of reserve medical officers. We urge the subcommittee to request the DOD to investigate and initiate, on a pilot basis, a modified version of the AFHPSP scholarship program which would supply reserve military officers. For lesser scholarship benefits, the DOD would seek a reserve commitment from the student.

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Such a program would be attractive to students and guarantee a supply of needed personnel. We at Georgetown would be delighted to participate in a pilot program and suggest that a group of universities, such as the three medical centers in Washington, D.C., would form a promising pilot group.

An additional item relating to the scholarship program we would like to highlight for the subcommittee is the unfortunate recommendation of the Department of Health and Human Services that the stipend for the National Health Service Corps (NHSC) Scholarship be drastically reduced by more than one-half in FY 1983, (i.e. in the academic year 1983-4) to a little more than $3,000.

By law, AFHPSP stipend are tied to the NHSC Scholarship stipend level. We reject this economy as there is no way NHSC or AFHPSP students can support themselves on the reduced stipend. We regard the proposed cut as a breach of good faith with those already in the program, particularly those in the AFHPSP, who have received their military commission and cannot withdraw from the program. We urge the subcommittee to urge restoration of full funds of the NHSC stipend, which will result in full funding of the AFHPSP stipend.

2. Greater University Involvement in DOD Related Biomedical Research:

We urge greater involvement of the University community in the Research and Development of military interest, particularly in biomedical research. For several years we have stated before this subcommittee the enormous benefit which the DOD achieves by grants and contracts with the network of American universities which have expertise in military relevant research.

Mr. Chairman, we are witnessing with dramatic urgency the realization that there are simply not enough resources in our nation to meet the demands for all defense and social programs. We wish to point out to you that as HHS funding for biomedical research levels off (and actually declines in constant dollars) there emerges an underutilized research expertise at American universities which can be readily shifted to research of direct military relevance. With the level of scientific expertise in the United States in relation to other major world powers is being critically evaluated, it seems obvious that increased DOD support of militarily relevant biomedical research will not only result in useful research for the DOD, but will enhance the research base of our American universities.

Although we are only one of the "little fellows", about 20% of our research effort in the Medical Center is defense related. We know our expertise is substantial and varied, and can be easily applied to projects of military value. For example, we believe we are doing and can do still more first rate research on vaccines against infectious diseases endemic in different parts of the world.

We would welcome the opportunity to apply our talents to more biomedical research of military relevance and urge the subcommittee to request fuller utilization of the extraordinarily rich and varied expertise at American universities. We urge support of biomedical research at least the level of the President's request for $83 million, which is a declining amount in constant dollars.

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3. National Exemplar Energy Planning Program:

Georgetown University requests support of the subcommittee for $350,000 for a joint Georgetown-U.S. Army national exemplar energy planning program, specifically, a fuel cell cogeneration commercial demonstration project. We seek to join in a planning program to investigate the feasibility of a fuel cell that could assist the army's program of replacing some 40 oil burning heating plants with coal fired plants, and provide a model for universities in the U.S. who have similar energy problems.

Georgetown University has for seven years implemented a major energy program which includes energy conservation, computerized controls, atmospheric fluidized bed combustion coal boiler, solar photovoltaics, thermal storage, organic rankine cycle systems, electric transportation Intermodal Access System, and finally, fuel cells and methane from sewage fuel production system. The complete system will ultimately be integrated into the "National Exemplar Integrated Socio-Energy Systems (NEISES)".

The fuel cell facility, comprised of three 7-10 MWe fuel cell modules, would be completed in four stages:

1. Economic outline for fuel cell program (paid for by Georgetown from Georgetown University resources; this portion is complete) $ 60,000

2. Integration of Fuel Cell component in megawatt output - results to be used in Georgetown-Army Program. This is underway from Georgetown resources) $ 667,350

3. Site Specific Applications of above for Army and Georgetown, we request from the committee at this time $ 350,000

   $1,017,350

4. The detailed planning, design, procurement, installation, startup testing and operational demonstration, would follow, along with an educational and training program which would incorporate hands-on training with the fuel cell and other cogeneration systems as well classroom courses. Funding for this final stage would be requested only if justified by the results from the first three stages and would be borne by joint funding of military, universities, and private concerns.

We understand from the Assistant Secretary of the Army (Installations, Logistics and Financial Management) that this type of project is within purview of the Assistant Secretary of the Army (Research, Development and Acquisition). We request this Committee to support the exemplar fuel cell program planning.

The Senate in FY 1981 supported proceeding with "promising alternative energy sources, including fuel cells" (attached). The projects cited in the House report that same year refer to projects of a much smaller magnitude (also attached).

We are addressing here, Mr. Chairman, a difference in energy production by a factor of many thousands. Such promising energy potential justifies the most investment of $350,000.

Thank you very much for this opportunity to appear before you. We would be delighted to answer any questions you or your staff may have.

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Calendar No. 1016

96TH CONGRESS
2d Session

SENATE

REPORT
No. 96-931

MILITARY CONSTRUCTION APPROPRIATION BILL, 1981

SEPTEMBER 9 (legislative day, JUNE 12), 1980.—Ordered to be printed

experimentation, especially where alternative energy programs may be more efficient and economical. Consequently, the Committee directs the Department to be prepared to justify any solar requests submitted with the fiscal year 1982 budget request not only according to both the DOD and DOE criteria but also against other energy programs which may be just as effective.

Alternative energy sources.—The Committee agrees with the House that the Department should proceed with a number of promising alternate energy sources, including fuel cells. The Committee expects the Department to pursue these programs through competitive bidding.

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96TH CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 96-1097

MILITARY CONSTRUCTION APPROPRIATION BILL, 1981

22

The Department testified this year that, although the number of units operated remains essentially stable, energy consumption for family housing units will actually increase over fiscal year 1980. The Committee feels that energy consumption will continue to increase for family housing units unless a metering program is established by the Department. The Department is directed to submit a plan for family housing metering that can be considered with the fiscal year 1982 request.

Alternate energy sources.—The Committee wants the Department to proceed with the application of alternate energy sources that go beyond the solar program. During this year's hearings the Department of Defense stated that fuel cells at military installations have the following benefits: (1) highly efficient use of scarce energy sources, (2) insignificant environmental effects. (3) flexibility to use a wide spectrum of domestically available fossil fuels and renewable energy sources, (4) low life cycle costs, (5) ability to operate in harsh environments, and (5) efficiency even at partial electrical loads. The Department further stated: "The capability to produce power in levels ranging from several kilowatts to megawatts makes the acquisition of fuel cells appropriate for most military construction programs when fuels are available at a reasonable cost. The construction of new facilities and the retrofit of existing facilities to use fuel cells to meet energy self-sufficiency and energy conservation goals will be particularly desirable."

The Committee recommends that several projects be funded in FY 1981 in order to conduct operational testing of fuel cell powerplants to verify their performance. The Committee directs that minor construction funds under the exigent minor construction budget be used for operational testing of the system in a variety of applications and locations. The projects recommended include:

Project	*Minor construction to be used*
Fort Lewis, Wash., barracks modernization	$500,000
Naval Station, Adak, Alaska, enlisted housing modernization	500,000
Fort Campbell, Ky., company administration/supply building	500,000
Nellis Air Force Base, Nev., enlisted personnel housing	500,000

In addition, the Committee directs the Air Force Aeropropulsion Laboratory to test two additional units in remote locations.

All awards for fuel cell contracts are to be made through competitive bidding.

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NATIONAL EXEMPLAR ENERGY PLANNING PROGRAM

1.	ECONOMIC OUTLINE FOR FUEL CELL PROGRAM (PAID BY GEORGETOWN UNIVERSITY, NOW COMPLETE)	$ 60,000
2.	INTEGRATION OF FUEL CELL COMPONENT IN MEGAWATT OUTPUT (PAID BY GEORGETOWN UNIVERSITY, UNDERWAY)	667,350
3.	SITE-SPECIFIC APPLICATIONS OF ABOVE FOR ARMY AND GEORGETOWN (REQUESTED/IDENTIFIED)	350.000
	TOTAL PLANNING COST	$1,017,350

NOTE: 75 TO 1 TECHNOLOGY BENEFIT/INVESTMENT RATIO.

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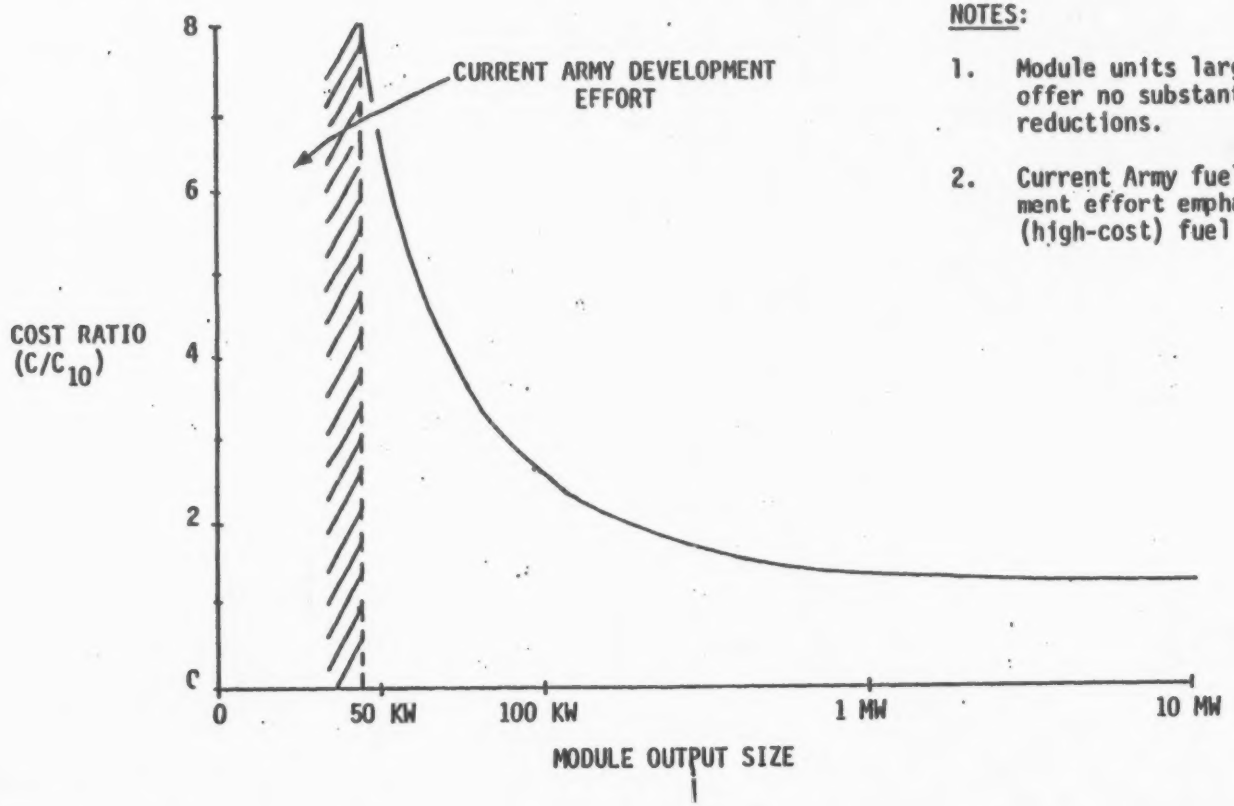
TYPICAL INDIVIDUAL MODULE
COST RATIO, BY OUTPUT SIZE
(NORMALIZED TO 10 MW OUTPUT)



NOTES:

1. Module units larger than 10 MW offer no substantial cost reductions.
2. Current Army fuel cell development effort emphasizes small (high-cost) fuel cell modules.

Mr. ADDABBO. Thank you. You raised interesting points. The staff will carefully review it.

Your appearance is always welcome.

The gentleman from Pennsylvania.

Mr. MCDADE. I am sorry, I was detained upstairs. I will read your statement.

Father COLLINS. Thank you very much.

I admire the committee's patience.

TUESDAY, AUGUST 10, 1982.

AMERICANS FOR DEMOCRATIC ACTION

WITNESS

BILL ADLER, LEGISLATIVE REPRESENTATIVE FOR FOREIGN POLICY AND DEFENSE

Mr. ADDABBO. The next witness is Mr. Bill Adler, Americans for Democratic Action.

STATEMENT BY BILL ADLER

Mr. ADLER. Thank you, Mr. Chairman, honorable members of the subcommittee. I am Bill Adler, the legislative representative for foreign policy and defense for Americans for Democratic Action. I will in the interests of time excerpt remarks from my testimony.

Today I want to focus on two key weapons systems which bear much similarity: the MX and Pershing II missiles. The most obvious parallel is that both are extremely costly—the MX will require the expenditure of many tens of billions of dollars and the Pershing II several billions. But other, more subtle comparisons between the two reveal more candidly what we are buying with our scarce dollars.

MX MISSILE

As yet neither the MX nor the Pershing II has a survivable basing mode. The problems regarding securing a home for the MX missile have become legend, but just as false legends in mythology persist, Congress continues to support the illusion that basing the MX is feasible. It is not. Although over two dozen basing systems have been proposed and then abandoned, Congress insists on seeing that the MX missile endures. Part of its basing problem stems from the increasing uncertainty about the survivability of all land-based ICBMs—American and Soviet. Improvements in the accuracy of ballistic missiles continues, contributing to the perceived vulnerability of ICBMs.

This missile originally was proposed because it was believed that greater numbers of MXs would survive a Soviet first strike, compared to our current force of Minuteman IIs and IIIs. But in fact the MX would be less survivable than the Minutemen.

The MX has another problem affecting our ability to devise a secure basing mode: its size. This missile is 223 centimeters in diameter and 21 meters tall. It is very heavy and thus difficult to transport in any ground or air mobile mode. Even basing the MX at sea would be difficult and expensive. The MX is the wrong missile to buy if we want a survivable land-based ICBM.

PERSHING II MISSILE

Similarly, the Pershing II will be vulnerable to Soviet attack. The Soviets will know where many of them are, and will know that the Pershings are soft, easily destroyed targets. The Washington Post reports that, "the Pershings could hit the Soviets 'out of the blue,' in a surprise attack with essentially no warning." Any prudent military or political leader would try to insure that these devastating weapons never part company with their launchers. As with the MX missile, the Pershing II would be a desirable and perhaps necessary target in the event of a crisis. Procuring MX or Pershing II missiles in the absence of a survivable basing mode is imprudent defense policy.

Stability would be severely damaged if either superpower could threaten to destroy the other's missile forces in a surprise attack, or if one side believed that the other was seeking that capability.

During a crisis the MX, although it would not enable the United States to destroy all Soviet land-based missiles in a single, surprise attack, would produce tremendous uncertainty in the minds of Soviet leaders regarding U.S. capabilities and intentions. Crisis stability would be hanging on the end of a much tattered thread; the notion "use it or lose it" might become an imperative for either of the superpowers.

The Pershing II's flight time to the Soviet Union—less than 10 minutes—coupled with its purported accuracy and 200,000 ton warhead yield, give that missile the ability to destroy hard Soviet targets, including command and control installations, swiftly and without warning. The Pershing II threatens the very essence of strategic stability by rendering vulnerable components of the Soviet Union's deterrent force. The Pershing II, and the MX, test the limits of our experience with nuclear deterrence. It is essential that we avoid deploying weapons which may increase the prospect for nuclear war.

STRATEGIC ARMS NEGOTIATIONS

In the early stages of U.S.-Soviet strategic arms negotiations, American representatives to these talks needed to educate their Soviet counterparts on strategic nuclear weapons theory. For example, we had to explain to Soviet negotiators why city-based ballistic missile defenses (ABMs) would be destabilizing. But we seem to have come almost full circle since then, and now the United States is seeking to violate some of the crucial principles we worked hard to each Soviet leaders and which have helped preserve this fragile relationship.

Both the MX and Pershing have been called by the Reagan Administration important "bargaining chips" for negotiations with the Soviet Union. We are led to believe that it is crucial to spend billions of dollars on these weapons, because, if nothing else, their deployment will induce the Soviets to seek agreements to defer production of their own strategic nuclear weapons.

Production of U.S. "bargaining chips" is likely to convince the Soviets to procure their own "bargaining chips," and may actually impede U.S.-Soviet negotiations. We may, in part, view these weapons as "bargaining chips," but I doubt any Soviet political leader

considers them as such, especially given this Administration's nuclear rhetoric.

The history of "bargaining chips" has not been very sanguine either, MIRVed ICBMs, originally supported as "bargaining chips" were soon deployed and now are the major cause of instability in the international strategic system. One of the greatest blunders in all history was putting multiple warheads on our ballistic missiles.

Political quandaries significantly affect both the MX and Pershing II. The fantastic amount of opposition to the multiple protective structure MX basing mode, voiced by citizens of the States and localities in which the MX was to have been based, played a major role in killing that basing proposal.

Not surprisingly, citizen opposition to the MX is growing in every locality under serious consideration as a home for the MX.

The Pershing II is not immune to politics either. Not all of our European allies have accepted the Pershings; although Germany has given its approval to Pershing launchers on its soil, the Pershing II has created troubles both within the NATO alliance and in Germany itself. As the European anti-nuclear movement waxes stronger the alliance problems affecting the Pershing also increase. That movement, coupled with the unsettling stresses in the Atlantic Alliance caused by the current natural gas pipeline controversy, may produce more trouble for the Pershing IIs.

The most salient similarity between the MX and Pershing II is that they are both unnecessary. The roles each would fulfill already are served adequately by existing weapons systems. Our current force of Minuteman IIs and IIIs, submarine launched ballistic missiles, and bombers are a terrifying deterrent. Flexible options, including the ability to promptly destroy Soviet hard targets, maintain redundancy among our strategic forces, and retain a slow, hard-target counterforce capability are ample. Indeed, the improvements underway in our submarine, Minuteman, and bomber forces will enhance this flexibility.

The Pershing II fills no gap in the European theater. Our forward based nuclear systems, which include fighter-bombers, Pershing Is, and long range artillery shells are sufficient to give the Soviets pause in any aggressive designs they may have. Our current European nuclear forces are also very capable and—should they ever be used—powerful enough to serve any function we might conceive for the Pershing II.

What do we get when we buy the MX and Pershing II missiles? We do not obtain any improved military capabilities; we do not revitalize our nation's defenses; we do not achieve superiority over the Soviets. What we do get is a more precarious U.S.-Soviet relationship, and greater difficulty in limiting and reducing arms. Focusing on the stark and singularly unrevealing numbers in the Soviet arsenal, as is this Administrations' predilection—numbers of launchers, throw-weight and so forth—does not tell us much about whether either superpower, in a crisis might be disposed to begin a nuclear war or how that war could end.

Nevertheless, there are important numbers—the number of dollars American taxpayers must spend to build these wasteful and dangerous weapons system. But even these discrete dollar figures must pale in comparison to the paramount goal of preventing the

world from being blown up, an objective which must be pursued at any cost. The MX and Pershing II missiles make nuclear war more likely, give us less defense, and should not be bought.

Mr. ADDABBO. Thank you very much for your comprehensive statement, Mr. Adler.

Any questions?

Mr. MCDADE. No, thank you, Mr. Chairman. No questions.

[The statement of Mr. Adler follows:]

TESTIMONY OF

BILL ADLER

AMERICANS FOR DEMOCRATIC ACTION

BEFORE THE SUBCOMMITTEE ON

DEFENSE OF THE HOUSE APPROPRIATIONS COMMITTEE

ON THE SUBJECT OF

THE MX AND THE PERSHING II

AUGUST 10, 1982

I welcome the opportunity to appear before the Defense Appropriations Subcommittee to testify on the very important issue: the United States defense budget. The House authorization for defense, $175.3 billion for fiscal year 1983, is a figure of unimaginable magnitude and unprecedented size. Because appropriations for this coming year will affect the direction of our nation's defense for decades to come, it is crucial that the proposed appropriations bill be given the thoughtful consideration that this Subcommittee is providing.

Today I want to focus on two key weapons systems which bear much similarity: The MX and Pershing II missiles. The most obvious parallel is that both are extremely costly -- the MX will require the expenditure of many tens of billions of dollars and the Pershing II several billions. But other, more subtle comparisions between the two reveal more candidly what we are buying with our scarce dollars.

As yet neither the MX nor the Pershing II has a survivable basing mode. The problems regarding securing a home for the MX missile have become legend, but just as false legends in mythology persist, Congress continues to support the illusion that basing the MX is feasible. It is not. Although over two dozen basing systems have been proposed and then abandoned, Congress insists on seeing that the MX missile endures. Part of its basing problem stems from the

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increasing uncertainty about the survivability of all land based ICBMs -- American and Soviet. Improvements in the accuracy of ballistic missiles continues, contributing to the perceived vulnerability of ICBMs.

This missile originally was proposed because it was believed that greater numbers of MXs would survive a Soviet first strike, compared to our current force of Minuteman IIs and IIIs. But in fact the MX would be less survivable than the Minutemen. Even though the MX debate has been filled with rancor, there is little disagreement that with its ten warheads, huge yield and vastly improved accuracy, the MX will be the most destructive weapon of all time. Belief on the part of Soviet leaders and their advisors that the MX is a counterforce weapon -- regardless of its ability to achieve a first strike -- will make the MX system a high priority target for the Soviet Union. Because destroying the MX is of greater importance to the Soviet Union than striking at our Minutemen would be, the survivability of the system would be less.

The MX has another problem affecting our ability to devise a secure basing mode: its size. This missile is 223 centimeters in diameter and 21 meters tall. It is very heavy and thus difficult to transport in any ground or air mobile mode. Even basing the MX at sea would be difficult and expensive. Existing silos could support the MX, but because of its size, this ICBM would have less "rattle space" in which to absorb shock from exploding enemy warheads. The MX is the wrong missile to buy if we want a survivable land-based ICBM.

Similarly, the Pershing II will be vulnerable to Soviet attack. The Soviets will know where many of them are, and will know that the Pershings are soft, easily destroyed targets. The Washington Post reports that, "the Pershings could hit the Soviets 'out of the blue,' in a surprise attack with essentially no warning." Any prudent military or political leader would try to insure that these devastating weapons never part company with their launchers. As with the MX missile, the Pershing II would be a desirable and perhaps necessary target in the event of a crisis. In addition, the Pershing II, like the MX, has basing problems.

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Procuring MX or Pershing II missiles in the absence of a survivable basing mode is imprudent defense policy. We can do better with our defense dollars.

Related to the basing problems of these missiles is the profound instability they would generate in the U.S.-U.S.S.R. strategic relationship. Some insight into the theory of the "balance of power" shows how the MX and Pershing II would damage this fragile relationship.

Much has been said about the "balance of power," the rough relationship of military forces between the United States and Soviet Union, especially in the context of the "balance" being in favor of one side or the other. Yet it is not at all clear that there is a strategic reality which corresponds to the so-called balance of power. "Balance" implies "weighing," adapting a physics metaphor to an altogether unrelated phenomenon. The various differences between American and Soviet strategic forces -- their basing modes, structure, throw weights, accuracy, guidance systems, geographical location, command and control, and so forth -- make it impossible to demonstrate this so-called "balance of power." There is nothing balanced in the "balance of power."

This is not to say that the relative relationship of strategic forces is irrelevant to international politics. Certainly one side can possess an overwhelming strategic advantage. In the decade following the Second World War, for example, only the United States had the ability to deliver nuclear explosives across vast expanses of ocean. A first-strike capability in a perfect world might be possible, but a first strike at land-based missiles only. Submarine-launched ballistic missiles (SLBMs), bombers, and forward-based nuclear delivery systems in Europe and the Mediterranean insure that the United States would retain retaliatory capability in the event of a Soviet surprise attack.

It is not the balance of power per se, but the <u>stability of the balance</u> that is crucial. Imprecision and predictability being the common condition of the U.S.-Soviet strategic relationship, any marginal modification in one side's nuclear arsenal will not upset this relationship. Major technological, politi-

cal, conceptual, or systems changes in either superpower's strategic delivery systems, however, could drastically alter the stability of the balance, increasing the chance of catastrophic war, because radical or rapid changes in the stability of this relationship could cause perceived or real security dangers. A breakthrough in anti-submarine warfare, a decision to implement a launch-on-warning system, a decision to use strategic nuclear weapons as explicit threats for conventional objectives, threatening either side's command, communications and control network, or ABM deployment around cities, for example, all would be destabilizing, as would a first strike capability against any part of the strategic triad. Stability would be severely damaged if either superpower could threaten to destroy the other's missile forces in a surprise attack, or if one side believed that the other was seeking that capability.

During a crisis the MX, although it would not enable the United States to destroy all Soviet land-based missiles in a single, surprise attack, would produce tremendous uncertainty in the minds of Soviet leaders regarding U.S. capabilities and intentions. Crisis stability would be hanging on the end of a much tattered thread; the notion "use it or lose it" might become an imperative for either of the superpowers.

The Pershing II's flight time to the Soviet Union -- less than 10 minutes -- coupled with its purported accuracy and 200,000 ton warhead yield, give that missile the ability to destroy hard Soviet targets, including command and control installations, swiftly and without warning. The Pershing II threatens the very essence of strategic stability by rendering vulnerable components of the Soviet Union's deterrent force. The Pershing II, and the MX, test the limits of our experience with nuclear deterrence. It is essential that we avoid deploying weapons which may increase the prospect for nuclear war.

In the early stages of U.S.-Soviet strategic arms negotiations, American representatives to these talks needed to educate their Soviet counterparts on strategic nuclear weapons theory. For example, we had to explain to Soviet negotiators why city-based ballistic missile defenses (ABMs) would be destabilizing. But we seem to have come almost full circle since then, and now the United

States is seeking to violate some of the crucial principles we worked hard to teach Soviet leaders and which have helped preserve this fragile relationship. Now through the MX and Pershing II we are turning strategic deterrence into a gimcrack fantasy.

Both the MX and Pershing have been called by the Reagan Administration important "bargaining chips" for negotiations with the Soviet Union. We are led to believe that it is crucial to spend billions of dollars on these weapons, because, if nothing else, their deployment will induce the Soviets to seek agreements to defer production of their own strategic nuclear weapons. A more dangerous waste of taxpayers money would be hard to conceive. Production of U.S. "bargaining chips" is likely to convince the Soviets to procure their own "bargaining chips," and may actually impede U.S.-Soviet negotiations. Certainly, there is an intrinsic illogic in building new, devastating weapons in the pursuit of arms reductions. We may, in part, view these weapons as "bargaining chips," but I doubt any Soviet political leader considers them as such, especially given this Administration's nuclear rhetoric.

The history of "bargaining chips" has not been very sanguine either. MIRVed ICBMs, originally embroidered as "bargaining chips" were soon deployed and now are the major cause of instability in the international strategic system. One of the greatest blunders in all history was putting multiple warheads on our ballistic missiles. "Bargaining chips" do not perish easily.

Political quandaries significantly affect both the MX and Pershing II. The fantastic amount of opposition to the multiple protective structure ("racetrack") MX basing mode, voiced by citizens of the states and localities in which the MX was to have been based, played a major role in killing that basing proposal. Constituents were concerned about the environmental damage building and supporting the MX would produce, and with the dangers associated with housing the magnet which might attract Soviet ICBMs. Not surprisingly, citizen opposition to the MX is growing in every locality under serious consideration as a home for the MX. Even if the technical and strategic problems associated

with basing the MX were solvable, the political barriers would be insurmountable. No one -- and this includes most governors, Representatives and Senators -- wants to serve as innkeeper for this new ICBM.

The Pershing II is not immune to politics either. Not all of our European allies have accepted the Pershings; although Germany has given its approval to Pershing launchers on its soil, the Pershing II has created troubles both within the NATO alliance and in Germany itself. As the European anti-nuclear movement waxes stronger the alliance problems affecting the Pershing also increase. That movement, coupled with the unsettling stresses in the Atlantic Alliance caused by the current natural gas pipeline controversy, may produce more trouble for the Pershing IIs. Development of the MX and Pershing II will aggravate these political tensions.

The most salient similarity between the MX and Pershing II is that they are both unnecessary. The roles each would fulfill already are served adequately by existing weapons systems. Our current force of Minuteman IIs and IIIs, submarine launched ballistic missiles, and bombers are a terrifying deterrent. Flexible options, including the ability to promptly destroy Soviet hard targets, maintain redundancy among our strategic forces, and retain a slow, hard-target counterforce capability are ample. Indeed, the improvements underway in our submarine, Minuteman and bomber forces will enhance this flexibility.

The Pershing II fills no gap in the European theater. Our forward based nuclear systems, which include fighter-bombers, Pershing Is, long range artillery shells, and submarine launched missiles, coupled with the French and British nuclear forces, are sufficient to give the Soviets pause in any aggressive designs they may have. Our current European nuclear forces are also very capable and -- should they ever be used -- powerful enough to serve any funcion we might conceive for the Pershing II.

What do we get when we buy the MX and Pershing II missiles? We do not obtain any improved military capabilities; we do not revitalize our nation's

defenses; we not achieve superiority over the Soviets. What we do get is a more precarious U.S.-Soviet relationship, and greater difficulty in limiting and reducing arms. We delude ourselves at the risk of our own peril if we believe that a strategic mirthridatism can be acquired through more and more devastating nuclear weapons. Focusing on the stark and singularly unrevealing numbers in the Soviet arsenal, as is this Administrations' predilection, -- numbers of launchers, throw-weight and so forth -- does not tell us much about whether either superpower, in a crisis might be disposed to begin a nuclear war or how that war could end.

Nevertheless, there are important numbers -- the number of dollars American taxpayers must spend to build these wasteful and dangerous weapons systems. But even these discrete dollar figures must pale in comparison to the paramount goal of the preventing the world from being blown up, an objective which must be pursued at any cost. The MX and Pershing II missiles make nuclear war more likely, give us less defense, and should not be bought.

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TUESDAY, AUGUST 10, 1982.

MILITARY ACCESSORIES SERVICE ASSOCIATION

WITNESS

BARRY STEIN, THE IRA GREEN CO., NEW YORK, N.Y.

Mr. ADDABBO. Our next witness is Mr. Barry Stein, Military Accessories Service Association.

STATEMENT OF MR. STEIN

Mr. STEIN. Good afternoon. I am Barry Stein, with the Ira Green Company located in New York City. I am representing the Military Accessories Service Association, known as MASA. On behalf of MASA I want to thank you for this opportunity to present our brief statement today concerning the military insignia procurement policies of the Department of Defense.

MILITARY INSIGNIA PROCUREMENT POLICIES

Many of you already know who MASA is and what its members do. Our written statement contains a full explanation. But in a word, we provide the military, through a sophisticated manufacturing, marketing and distribution system, with over 10,000 different insignia products which may be needed anywhere in the world—in quantities from one to a thousand or more. All of this is accomplished at reasonable prices to our military personnel. "Always available at reasonable prices"—that is the key phrase that identifies our unique service.

But before I go into more detail, I want to tell you why MASA is here today. MASA is here to request help from Congress in stopping the Defense Department's unfair and unrestrained competition with the full service insignia industry.

The first Defense Department practice about which MASA is concerned was brought to this subcommittee's attention last year. That practice is the rapidly increasing procurement of insignia items not issued to the service personnel but sold on a retail basis. This procurement of non-issue insignia by the Defense Department through DPSC, the Defense Personnel Support Center, is in direct competition with the services that have been provided efficiently for many years by private companies whose only customer is the military. We depend on the non-issue insignia market to sustain us—we face the prospect of going out of business if this practice continues to expand.

In addition to duplicating functions long provided by private companies, DPSC has at times been instructed to over-purchase whole categories of items for which demand is minimal and sporadic. Such a practice constitutes a needless waste of the government's

resources, and the taxpayers' money. For example, in July of 1982, DPSC purchased 1,500 pair of brigadier general and 400 pair of four-star general miniature subdued stars. Now there are only 170 brigadier and only 12 four star generals authorized to wear these items. In order to end wasteful procurement practices such as these, we request that Congress instruct DOD to withdraw completely from the use of DPSC to procure insignia items for resale.

Insignia products are not like helmets or bars of soap, they are highly specialized items that come in over 10,000 distinct and different types, many of which are in demand on only an infrequent basis. In order to avoid waste and inefficiency, there must be a meticulous matching of supply with demand. For example, in May of 1981, DPSC purchased 10,100 pair of brigadier general stars. There were, at the time only 400 brigadier generals service-wide. Yet, for some unknown reason, in April 1982 DPSC purchased 2,400 more of the same items for the same individuals. To me, this is the classic example of taking coal to New Castle.

As these few examples show, the Defense Department and DPSC are not really capable of carrying out insignia purchasing functions efficiently. In fact, orders for insignia are made by military officials who are not accountable to the laws of the marketplace. As a result, in 1980 they projected the purchase of 2,500 pair of five-star general of the Army insignia of rank when we had only one such general—namely, Omar Bradley. General Bradley, may he rest in peace, died in 1981. These officials do not have to take into account factors such as the sporadic, unpredictable demand for certain types of insignia. When the items are ordered in excess of demand, the costs of storing and maintaining an inventory of those items are not considered. For example, an inventory report received from one depot shows that more than a million 69th Division shoulder patches were purchased and in stock in 1981, even though that unit was deactivated 30 years ago, in 1952.

In addition, more than 1,400,000 23rd Division shoulder patches using an outmoded and non-regulation design were in stock at the same time. A division normally consists of about 20,000 men. How many shoulder patches does one soldier need? Furthermore, at least $4 million in obsolete insignia was stored at this one depot. As a matter of fact, on the most recent inventory records requested from DPSC word descriptions of insignia items were deleted from the computer printout. This deliberate concealment of important data made these records useless and prevented us from bringing further examples of waste to your attention. The Defense Department should be ordered to stop its use of DPSC to procure items of insignia for resale.

DOD'S USE OF SUBSIDIES

The second procurement practice to which we object is DOD's use of subsidies to keep the resale prices of DPSC-procured insignia artificially low. Congress took action to end this wasteful subsidization by inserting specific provisions in the Fiscal Year 1981 and 1982 Defense appropriations bills. These statutory provisions required the Defense Department to recover, in the resale price, all costs associated with insignia procurement. This action by Congress

has resulted in savings of taxpayer dollars and better use of funds appropriated for defense purposes. For Fiscal Year 1983, we ask that a similar provision be included that requires the recovery of costs associated with insignia sold as replacement items, but originally procured for the purpose of issue to service personnel.

Instructing the Defense Department to get off the backs of the military insignia industry makes good sense for the American taxpayer. It will ensure an end to inefficient procurement of insignia that wastes taxpayer dollars. It makes good sense for the men and women of the Armed Services because they will be assured of an adequate supply of insignia at reasonable prices without undue delays. And finally, the policy makes good sense for the Department of Defense because they will be taken out of a business that they are not set up to conduct efficiently. The Defense Department will be allowed to concentrate time and resources on the more vital areas in which they have more expertise. Gentlemen, this is one area where wasteful defense spending can be cut.

Thank you for this opportunity to share MASA's views with you.

TESTIMONY OF THE
MILITARY ACCESSORIES SERVICE ASSOCIATION
BEFORE
THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON DEFENSE
ON
THE FY 1983 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL

AUGUST 10, 1982

I. INTRODUCTION

Good afternoon. My name is Barry Stein and I am with the Ira Green Company located in New York City. I am appearing before your Subcommittee on behalf of The Military Accessories Service Association, Inc. (MASA or Association). On behalf of the Association, I would like to express our appreciation for today's opportunity to present our views concerning the military insignia procurement policies of the Department of Defense.

As you may know, MASA is a trade association representing eight small companies[1/] whose principal task is to supply the full range of insignia products and services to each branch of the armed services. These small companies supply the military not only with items in high demand, such as insignia of rank, but also with items of very limited demand.

A. The Insignia Service and Supply Functions Performed by MASA Member Companies

To supply the armed services with the more than 10,000 different insignia products and to respond quickly to the insignia needs of military personnel, we have developed, at great expense over many years, a sophisticated marketing and distribution system. On the basis of our companies' intimate knowledge of the needs of particular military installations, we have made the necessary

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1/ See Attachment A for a listing of these companies.

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investments in labor, plants and equipment to maintain and implement that system. In addition to providing an efficient and speedy supply of insignia, our companies provide in-store services such as counting and replacing insignia stock, training of military store personnel, and design of special packaging and displays.

While some of our companies possess manufacturing capability, MASA member companies typically serve as the primary suppliers of the complete line of insignia to the military sales outlets which provide insignia and accessories to armed service personnel. These sales outlets are operated by the various military exchange organizations, the largest of which are the Army and Air Force Exchange Service (AAFES) and the Navy Resale and Services Support Office (NAVRESSO). The military is MASA's only customer, and we believe that we provide the military with high quality products, and with efficient service at the most reasonable prices.

Although the insignia industry may not be as crucial to the national security as the weapons industry, our products are an unquestioned element in the day-to-day operation of our country's military establishment. In addition, we believe that anyone who has military experience can appreciate the significance of the recognition our country gives to its soldiers through the awarding of medals and other insignia. In other words, the contribution that insignia make to the maintenance of the morale of our service men and women is, without a doubt, a substantial one.

The importance of the military insignia supply industry was recently confirmed by AAFES. In response to a protest of an insignia procurement solicitation, AAFES withdrew a solicitation which, if implemented, would have radically departed from over ten years of supply patterns and would have scrapped a decade of experience under the present supply system. AAFES ultimately agreed with MASA that the services provided by these companies are too important to jeopardize and that particular procurement solicitation, originally issued on September 29, 1981, was cancelled.

B. Insignia Procurement by the Department of Defense

As you may recall from my previous testimony, f r years the Department of Defense (DOD) interfered with the free operation of the military insignia markets by subsidizing the items procured by the Defense Personnel Support Center (DPSC) and sold through the military exchange systems. The use of taxpayers' dollars to subsidize DOD-procured insignia items resulted in unfair competition with private industry.

Congress addressed this issue through House Appropriations Committee report language for fiscal year 1980. It was determined that DOD's lower prices did not reflect the items' true cost, since they did not include the costs of administration, obsolescence, storage, theft, and the exchange system profit. These costs were unfairly and unjustifiably borne by the taxpayer. When all of these costs were considered, the total cost for DOD-procured

insignia was sometimes higher than insignia supplied through the private sector.[2/] Congress instructed DOD to recover these costs by adjusting the resale prices of insignia sold to service personnel.

When DOD did not respond to the instructions of the House Appropriations Committee for fiscal year 1980, Congress took further remedial action to eliminate this wasteful subsidization by inserting specific statutory provisions in the FY 1981 and 1982 Defense Appropriations bill. These statutory provisions required the Department of Defense to recover, in the selling price to servicemen, all costs associated with insignia procurement. This action by Congress has resulted in savings of taxpayer dollars and better use of funds appropriated for defense purposes.

The relief provided by Congress on this issue is, however, only temporary. As you know, the requirement that the full administrative costs associated with the procurement and resale of insignia be reflected in the resale prices is effective only for this fiscal year. If this session of Congress does not reenact a similar provision as a part of the FY 1983 Appropriations bill, DOD will be able to return to its previous submarket pricing practices.

2/ See Department of Defense Appropriations Act of 1982, Pub. L. No. 97-114, 760, 95 Stat. 1565, 1588 (1981). H. Rep. No. 96-1377, 96th Cong., 2d Sess. 136 (1980); H. Rep. No. 96-450, 96th Cong., 1st Sess. 185-188 (1979).

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II. CURRENT INSIGNIA PROCUREMENT PRACTICES

In addition to the issue of insignia price subsidization, DOD is engaging in a second practice which is wasteful, inefficient and detrimental to private enterprise. DOD is rapidly increasing the amount of non-issue insignia items it procures, even though we brought this practice to your attention last year. This practice directly competes with the services that have been provided efficiently by private companies for many years. In addition to duplicating functions long provided by private companies, DOD has at times overpurchased whole categories of items for which demand is minimal and sporadic. Such a practice constitutes a serious, needless waste of the government's time, and the taxpayers' money.

As I mentioned above, we alerted this Subcommittee last year to the creeping encroachment of DOD into our most important area of business. This year we return to describe a full scale invasion by DOD into the non-issue insignia market. We come before the Subcommittee seeking relief, so that we may continue to serve the needs of the American military.

Accordingly, we respectfully request that Congress insert a provision in the Fiscal Year 1983 Defense Appropriations Legislation that prohibits the use of appropriated funds for the purchase of insignia for resale purposes. In addition, we request that the current cost recovery requirement be made applicable to those insignia sold as replacement items, but originally procured for the purpose of issue to service personnel.

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III. WHY THE DEFENSE DEPARTMENT'S COMPETITION WITH PRIVATE INSIGNIA SUPPLIERS SHOULD CEASE

At the outset, I would like to emphasize that MASA is not advocating that there be no competition in the supply of military insignia. Our industry is a competitive one. However, we cannot compete effectively if our survival is threatened by intervention by the Department of Defense. The Department of Defense, as with any arm of the federal government, is not subject to the laws of the marketplace. It does not always have clear incentives to use sound business judgment and to promote efficiency. Because the Defense Department has considerable resources and does not have to follow business principles, its continued expansion into the non-issue insignia market is wasteful, unfair and damaging.

This Subcommittee has previously considered and rejected DOD's subsidization of insignia with taxpayer dollars. Therefore, today I will address myself mainly to the issue of DOD's waste of taxpayer money through unbridled procurement of material in direct, needless and inefficient competition with private industry.

A. DOD Has A History Of Wasteful And Inefficient Procurement Of Non-Issue Items

A review by MASA of the insignia inventory history at one supply depot demonstrates that DOD's insignia procurement practices have not reflected sound business judgment and an efficient use of taxpayer money.

The following examples of wasteful and inefficient DOD pro-practices have not reflected sound business judgment and an efficient use of taxpayer money.

The following examples of wasteful and inefficient DOD procurement through DPSC have been found:

(1) In July 1982, DPSC purchased 1,500 pair of brigadier general and 400 pair of four star general miniature subdued stars. Now there are only 170 brigadier and only 12 four star generals authorized to wear these items.

(2) In May 1981, DPSC purchased 10,100 pair of brigadier general stars. There were at the time only 400 brigadier generals service-wide. Yet, for some unknown reason, in April 1982 DPSC purchased 2,400 more of the same items for the same individuals.

(3) More than 15,000 Army master parachute badges were purchased by DPSC despite the fact that this specialty award item was already available in the limited quantity needed at every AAFES Exchange.

(4) In May of 1981, DPSC solicited bids and let a contract for 1600 pair of Air Force four star general officer insignia in miniature size. This item can only be worn by an Air Force four star general on his summer uniform. At that time there were exactly 13 officers in the Air Force holding the rank of four star general (including Reserve and National Guard officers).

(5) DPSC contracted for 400 pair of Army full general officers stars, miniature size, in subdued metal. This item, while listed in regulations, is not usually worn, and in addition there are only approximately 36 four-star generals in the Army.

(6) DPSC at one time projected purchasing 2500 pair of five star general officer insignia of rank. The country's only five star general, Omar Bradley, died in 1981.

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Due to DOD's wasteful and inefficient procurement practices, DPSC is often left with large stocks of obsolete insignia items. Although there are many such examples, the following will illustrate just some of DOD's purchases which are of a questionable nature:

(a) A minimum of $4 million in obsolete insignia items were stored at one sample supply depot.

(b) 1,210,480 of the 69th Division shoulder patch, although the unit was deactivated in 1952.

(c) 1,412,047 of the 23rd Division shoulder patch using an outmoded design.

B. Insignia Costs Will Increase Over The Long-Term, As Small Suppliers Are Eliminated From The Market Place

The actions of DOD over the last year have clearly demonstrated its intent to continue to expand its practice of procuring items historically provided through the private sector. Since my testimony before this Subcommitte last year, the procurement of non-issue insignia items by DOD has rapidly accelerated. If this trend is not brought to a halt by Congressional action, a major market that MASA's member companies have relied upon will be removed from the private sector. These companies would be left with a small submarket of specialty items that alone will not sustain the full-service military insignia industry that has developed to date. Many, if not all, of these companies would have to abandon the insignia business.

Specifically, DOD has begun to expand its handling of the high volume procurements of non-issue insignia and accessories. Yet, as I stated last year, this is precisely the submarket currently serviced by MASA member companies that yields the revenues that enable us to supply the insignia items for which there is much less demand. MASA companies have estimated that 15% of all orders received are for non-specialty items. Yet, these orders produce approximately 83% of the industry's revenues. Conversely, orders for specialty insignia comprise 85% of all orders, yet in turn produce only 17% of the industry's revenues. The DOD move to supply high-volume non-specialty items begins to take away the "bread and butter" of the market, leaving the private sector with mere crumbs. As a result, much of the full service military insignia industry will surely face going out of business and the military will be unable to secure low-demand insignia items in a cost effective manner. Certain insignia will either be forever lost -- sacrificing Armed Forces tradition -- or they will be purchased in excess -- yet another example of DOD waste and the limitations of government attempts to supplant private business.

C. The Defense Department's Efforts Duplicate Private Industry And Should Be Eliminated

For many years the MASA member companies have filled efficently the role increasingly sought by DOD through DPSC. Over the last year, DOD has rapidly expanded its role in the procurement of non-issue insignia items. If this trend is not stopped soon, it

will be difficult for the private sector to continue providing the full range of insignia products and services. Moreover, DOD's procurement of non-issue items represents a wasteful, needless diversion of government efforts away from other more vital areas.

IV. RECOMMENDATIONS TO THE SUBCOMMITTEE

MASA recommends that the Su , FY 1983 Department of Defense Appropriations bill, provisions that would:

(1) preclude DOD from using any appropriated funds to procure insignia items for the purpose of resale.

(2) require the recovery of costs related to the handling of insignia sold as replacement items, but originally procured for the purpose of issue to service personnel;

V. CONCLUSION

Over the year since I last testified before this Subcommittee, DOD has sharply increased its procurement of non-issue insignia items. On behalf of the MASA member companies, I come before you again seeking Congressional relief. The requirement that full costs be reflected in insignia resale prices is important, and should be retained in a modified form. The current requirement is not sufficient relief in the face of a full Defense Department assault upon the key markets which sustain our businesses.

The firms which make up the full service military insignia industry have made investments in labor, plants and equipment over a period of more than 50 years to meet the needs of their only customer, the United States armed services. In the past, when called upon to do so, our companies have made substantial sacrifices. However, it seems to be illogical and fundamentally unfair for our only customer, the military, to compete directly with us in an inefficent and wasteful manner. Not only will this interference in the private marketplace ultimately result in higher prices and an uncertain supply of certain insignia, but the small businesses which have served the military so well over the years will have to face the prospect of going out of business. Only action by Congress, as we request, can stem this undue government encroachment into the private marketplace.

The Congressional action that we request makes good economics and good governmental policy. At present, no one is held accountable for the millions of obsolete and unneeded insignia hidden away in DOD warehouses. (In fact, DPSC has deliberately tried to conceal the exact amount of excess and obsolete insignia in stock by deleting item descriptions from the inventory records we have obtained. For our purposes this made the records useless.) Orders for insignia are made by officials who are not businessmen, and who do not have to take into account factors such as the often sporadic and minimal demand for certain types of insignia. In addition, these officials do not have to be concerned with the

costs of storing and maintaining an inventory of these widely diverse items.

It is to deal with circumstances like these that the Defense Department often uses private enterprises to supply needed items. The Defense Department should be instructed to return to that sound policy. It makes good sense for the American taxpayer because it will ensure an end to inefficient procurement of insignia that wastes taxpayer dollars. It makes good sense for the men and women of the armed services because they will be insured of an adequate supply of insignia at reasonable prices without undue delays. And finally, it makes good sense for the Department of Defense because it will take them out of a business they are not set up to conduct efficiently, and will allow them to concentrate their time and resources in areas in which they have more expertise.

Thank you for this opportunity to share MASA's views with this Subcommittee.

ATTACHMENT A

Member Companies of
The Military Accessory Service Association, Inc.

N.S. Meyer, Inc.
42 East 20th Street
New York, New York 10003

Vanguard Military Equipment Corp.
41-45 39th Street
Long Island City, New York 11104

Ira Green Company
18 West 18th Street
New York, New York 10011

Harry Sugerman, Inc.
P.O. Box 2078
San Antonio, Texas 78297

Denmark Military Equipment Co.
636 Broadway
New York, New York 10012

Wolf-Brown, Inc.
606 So. Bonnie Brae
Los Angeles, California 90059

Military Post Supply Co.
614 South 21st Street
Irvington, N.J. 07111

Hilborn-Hamburger, Inc.
122 Dayton Avenue
Passaic, J.J. 07055

Mr. ADDABBO. Thank you very much for bringing this to our attention. This is what we are looking for where we are reducing waste within the Defense Department so we can better utilize those dollars for our defense and other purposes.

Thank you very much.

Any questions, Mr. McDade?

Mr. MCDADE. No questions. Thank you for your testimony.

Mr. ADDABBO. Ladies and gentlemen, there is a vote right now followed by a vote immediately thereafter in five minutes. The committee will stand in recess for 10 minutes.

TUESDAY, AUGUST 10, 1982.

FRIENDS COMMITTEE ON NATIONAL LEGISLATION

WITNESS

EDWARD F. SNYDER, EXECUTIVE SECRETARY

Mr. ADDABBO. Our next witness is Mr. Edward F. Snyder.

STATEMENT OF MR. SNYDER

Mr. SNYDER. Thank you, Mr. Chairman.

I appreciate very much the opportunity to be here, Mr. Chairman. I would like to have the statement inserted in the record.

We note that the "050 national defense" amount that has been approved by Congress in the first budget resolution is some $253 billion. That is a 16 percent increase for the national defense function over Fiscal Year 1982. When you adjust those figures for inflation, only the military and space programs show a net increase. All of the other programs of a non-military nature show a net decrease.

SOCIAL VERSUS DEFENSE SPENDING

Therefore, all of the military increases are being paid for out of the civilian sector. Many come from the human needs areas. We think therefore the role that your subcommittee has is very important, in taking a very hard look at the huge amount that is in the military budget. Our calculation is that that figure amounts to over $8,000 a second, 24 hours a day, 365 days a year. Most of it is in the bill which you are fashioning right now.

That is such a tremendous amount of money that it takes a great deal of expertise to know where to cut. We feel that the people must really rely on you members of this subcommittee and the full committee and your staff to do the hard work of finding where cuts can be made, because we feel they can be.

We have identified in our testimony several places where one house or the other in the authorization process has already indicated that cuts can be made. In the MX missile, chemical weapons, civil defense, and the Trident submarine. Also, there were cogent arguments advanced in the floor debate in one or the other house for major cuts in nuclear carriers, B-1 bombers, the Trident II, the Titan II, the Pershing II missiles, battleship reactivation, and the very expensive maintenance of more than 500,000 U.S. troops abroad.

We think general cuts are also relevant just in dollar terms in order to deal with the question of waste, fraud, and abuse. If the same yardstick were applied to the military as has been applied to

various domestic human needs programs in the last 18 months, we believe major reductions could be made. The unobligated balances in the Department of Defense accounts are now increasing at a rate of nearly $10 billion a year. There is a projected $43.1 billion amount in unobligated balances at the end of 1983 indicating another reason for a general reduction in military appropriations.

We looked at the request for increases in lobbying, legislative affairs, and public affairs activities of the Department of Defense. We found there is a request for a 21 percent increase in the lobbying and 25 percent in the public affairs activities. We think that is another relevant area for you to look at. It is not so much in terms of dollars as it is in effect upon the programming.

ARMS BUILDUP

Aside from the dollars, I would like to take the few minutes remaining to me to ask some basic questions and to look at the process that I think we are all in. One of the basic questions is whether the history of the last 30 years suggests that more arms will increase our national security or whether they stimulate the other side to build up its own military and increase our mutual vulnerability and insecurity. What evidence can we cite to demonstrate that the current intense United States arms buildup will bring about Soviet readiness to accept U.S. arms control proposals rather than launching a further Soviet buildup? Will the real security, well-being, and loyalty of U.S. citizens be better advanced by building more exotic weapons or by spending those same funds for programs which provide better health, housing, education, and transportation for our people?

In our view, the current policies of the United States and the Soviet Union which seek national security through increasing levels of arms are leading the world directly toward a catastrophe of unimaginable proportions. We believe that reliance on the nuclear deterrent is a major factor in paving the way to war. This is what appears to be happening. I will go through this very briefly.

The Department of Defense can't defend the United States against a determined attack by the Soviet Union. Indeed, we gave up the ballistic missile system in the treaty in 1972. The avoidance of such an attack, therefore, depends on our ability to deter the Soviet leaders from launching one in the first place by having this tremendous power so the damage will be completely unacceptable. So deterrence by fear has become the cornerstone of U.S. defense policy.

This deterrence by fear requires us to have the capability to devastate the Soviet Union in case we are attacked. It also requires us continually to demonstrate a national will to use those weapons. If the will is lacking, even a huge arsenal of awesome weapons will not deter.

Now this kind of deterrence requires that a high level of fear and suspicion be maintained among the American people so they will be ready to pay the huge amounts of money, about a third of the Federal income taxes, for the weapons to deter the enemy.

The huge military expenditures and actions which demonstrate our readiness to go to war create a fear and hostility in the adver-

sary nation. Not surprisingly, an adverse counter buildup is stimulated, and we have this threatening posture of a spiraling arms race. I hesitate to say who comes first in that process, but we are in this process together of building up.

Secretary McNamara had an interesting commentary in the Washington Post August 1st telling how the Soviet Union reacted to the United States buildup in the early 1960s.

Now the need to maintain an atmosphere of mistrust tends to shape the way that actions and events are viewed on both sides. Our actions are defensive and undertaken with good and peaceful intent, and theirs are aggressive and proceed from malevolent motives. Neither side makes a serious attempt to see the security needs of the other side from the other's perspective.

In a climate of mutual fear and mistrust, it is extremely difficult to negotiate arms reductions. We had the situation a few years ago where even a modest SALT II treaty which generals and admirals could agree upon in Moscow and Washington was not able to be approved in the United States because, I believe, a fearful and suspicious U.S. public had been conditioned by this whole atmosphere that exists.

NUCLEAR WEAPONS

Increased military spending is one way, it seems to me, that a demonstration is made of U.S. will to use nuclear weapons, if necessary. If we are ready to pay 3 percent, or 5 percent, or 15 percent more a year for arms, especially at the expense of needed civilian programs, this demonstrates a very firm resolve, and they get the message that we are indeed ready to act to deter them.

Since we already have the ability to destroy the Soviet Union many times over by air, land, and sea, these funds are used to push war preparations into exotic new areas and we are moving into the space field. They are also used to buy new counterforce weapons and to build and refine tactical nuclear weapons for possible use in Europe, the Middle East, or elsewhere. These require new doctrines to rationalize them, including the extremely dangerous idea, I believe, of limited nuclear war.

Thus in our view, the dynamics of the deterrence doctrine in operation are creating a mutual fear and mistrust and suspicion. They are inhibiting efforts to reduce arms and they are spawning new and more dangerous weapons and doctrines. Rather than moving away from a catastrophic war, we are moving toward one. It seems to me the masses of people in Europe and our nation sense this and are in the streets calling on their leaders to reverse this suicidal course.

We agree that the Soviet leaders must be deterred from launching a nuclear attack on the United States. But we believe that the history of the last 35 years shows that relying on deterrence by fear is leading the world towards a nuclear holocaust.

ALTERNATE DETERRENCE DOCTRINE

I set forth in here in a couple of paragraphs an alternative view of what—of how one might suggest an alternative deterrence doc-

trine which has certain risks and difficulties, but it seems to me that the course we are on is catastrophic.

We urge this subcommittee to play a significant role in reversing the trend toward disaster. We believe there is much you can do by taking a hard and sophisticated look at where real U.S. security interests lie in an interdependent world and whether further arms increases have any role in providing them.

More than most Members of Congress, you are also aware of the areas of waste, fraud, and mismanagement and of the lobbying and advertising by the Pentagon and military contractors which increases the military budget.

We urge you to use your expertise to fashion a bill which cuts deeply into military spending and thereby makes funds available for needed domestic programs and for reductions in the huge projected deficit.

[The statement of Mr. Snyder follows:]

TESTIMONY OF

Edward F. Snyder

Friends Committee on National Legislation

before the

HOUSE APPROPRIATIONS SUBCOMMITTEE ON DEFENSE

on

MILITARY APPROPRIATIONS

August 10, 1982

I am Edward F. Snyder, Executive Secretary of the Friends Committee on National Legislation, Washington, D.C.

While our Committee does not purport to speak for all members of the Religious Society of Friends, our General Committee is composed of representatives from 24 Friends Yearly Meetings and 12 other Friends organizations. Among this group there is very substantial opposition to the vast increase in funds for the Department of Defense recommended in President Reagan's Budget for Fiscal Year 1983.

The first concurrent budget resolution has now set a level of $253,566,000,000 in FY83 budget authority for category 050 National Defense. This is a 16% increase over the FY82 figure of $218,200,000,000. According to figures inserted in the Congressional Record on June 23 (p. S7357), the military and space programs are the only government programs which show a net increase in spending from FY82 to FY83 after taking inflation into account. All other programs receive less in real dollars then the previous year. Starkly put, this means that federal funds for the unemployed, the sick, the elderly, the malnourished, the poorly housed, the children, the farmers, the veterans, and the small business people are being cut in order to provide more powerful, more accurate and more dangerous weaponry.

This is a revealing commentary on our national values and priorities. It is a disturbing insight into our national mood of fear. It is revealing evidence of our national faith that more arms provide more security.

Role of Defense Subcommittee

We believe that members of this subcommittee and the full Appropriations Committee have a major responsibility to evaluate military programs. We recognize the difficult you face: the proposed FY83 military spending requires the military establishment to allocate more than $8000 a second, 24 hours a day, 365 days a year. Most of this money is in the bill you are now fashioning.

Nevertheless, you and your staffs have considerable expertise in the intricacies of the Pentagon budget. We the people rely on you, to a considerable degree, to identify areas for reductions. We believe there are opportunities for major cuts in the appropriations process, recognizing that the budget resolution and the authorization bill set the ceiling, not the floor, for appropriations.

During the action on the authorization bill either the House or the Senate made significant cuts in funding for:

- the M-X missile,
- chemical weapons,
- civil defense,
- the Trident submarine.

Cogent reasons were advanced during House and Senate floor debate for other major cuts in:

- nuclear carriers,
- B-1 bombers,
- Titan II, Trident II, and Pershing II missiles
- battleship reactivation
- the very expensive maintenance of more than 500,000 U.S. troops abroad.

General dollar cuts are also relevant. We are aware of the argument that overall cuts in military spending will result in serious damage to the most sensitive and important programs. But the possibility that such cuts might instead be applied to waste, fraud and mismanagement, or to military bands, personal aides to officers, or veterinarian services for the pets of military personnel, is seldom mentioned. If the same yardstick were applied to the military as has been applied to various domestic human needs programs in the last 18 months, we believe major reductions could be made.

Members of this subcommittee are also aware of unobligated balances in the Department of Defense accounts now increasing at the rate of nearly $10 billion a year. The projected $43.1 billion in unobligated balances at the end of 1983 indicates another reason for a general reduction in military appropriations.

We note also that the Pentagon is asking for a sharp increase in funds for lobbying and for "public affairs."

Hundreds of lobbyists and legislative liaison personnel - both military and civilians - would be employed by the Department of Defense at a cost of $9.1 million in FY83. (Proposed Sec. 728) This is a 21% increase over last year. This, of course, does not include costs incurred in connection with lobbying by military contractors.

In addition, the Pentagon is asking for $35 million - a 25% increase over last year - for "public affairs activities" as part of its program to educate and influence the public (proposed Sec. 744).

A Longer and Deeper Look

We ask members of this subcommittee to set aside the numbers for a moment and ask some basic questions:

- Does the history of the last 30 years suggest that more arms will increase our national security, or do they stimulate the other side to build up its own military, thereby increasing our mutual vulnerability and insecurity?

- What evidence can be cited to demonstrate that the current intense U.S. arms buildup will bring about Soviet readiness to accept U.S. arms control proposals, rather than launching a further Soviet build-up?

- Will the real security, well-being and loyalty of U.S. citizens be better advanced by building ever more exotic, expensive and numerous missiles, bombers and carriers, or by spending those same funds for programs which provide better health, housing, education and transportation for the people.

In our view, the current policies of the United States and the Soviet Union, which seek national security through increasing levels of arms, are leading the world directly toward a catastrophe of unimaginable proportions.

We believe that reliance on the nuclear deterrent is a major factor in paving the way to war. In our view, this is what appears to be happening:

1. The Department of Defense cannot defend the United States against a nuclear attack launched from the Soviet Union. Indeed, the 1972 Anti-Ballistic Missile Treaty recognized and codified our mutual vulnerability.

2. The avoidance of such an attack therefore depends on our ability to deter Soviet leaders from launching one in the first place. This is to be accomplished, according to present policy, by making the consequences so terrible that they will never do so. Thus, deterrence by fear has become the cornerstone of the United States defense policy.

3. Deterrence by fear requires the United States to develop and maintain an arsenal of weapons with the capability of devastating the Soviet Union in case we are attacked.

It also requires a continued demonstration of a national will to use such weapons. If the will is lacking, even a huge arsenal of awesome weapons will not deter.

4. Deterrence requires that a high level of fear and suspicion be maintained among the citizenry so they will be ready to pay huge amounts for military purposes (currently about one-third of all U.S. federal income, estate, corporate and excise taxes) and so they will support bellicose actions which evidence a continued will to use weapons of mass destruction against the perceived "enemy." Reports of bomber gaps, missile gaps, civil defense gaps, windows of vulnerability and estimates of Soviet military spending all help create this public climate.

5. Huge military expenditures, and actions demonstrating a readiness to go to war by one side create fear and hostility in the adversary nation. Not surprisingly a counter build-up is stimulated. This is then cited as evidence of a threatening posture, and a spiralling arms race results. Former Secretary of Defense Robert McNamara, in an interview in the Washington Post August 1, 1982 told how the Soviets reacted in this way to the United States build-up in the early 1960's.

6. The need to maintain an atmosphere of mistrust tends to shape the way actions and events are viewed. On both sides "ours" are defensive and undertaken with good and peaceful intent; "theirs" are aggressive and proceed from malevolent motives. In the United States we find Khrushchev's statement "we will bury you" ominous, but we see nothing harmful or threatening in Reagan's statement that the Soviet system will end up "on the ash heap of history." Neither side makes a serious attempt to see the security needs of the other side from the other's perspective.

7. In a climate of mutual fear and mistrust it is extremely difficult to negotiate arms reductions. Even the modest SALT II Treaty agreed to by generals and admirals in Moscow and Washington was rejected by a fearful and suspicious U.S. public.

8. Increased military spending is one way to demonstrate U.S. readiness to deter the Soviet Union and to use nuclear weapons, if necessary. If we are ready to spend 3%, 5%, 15% more a year for arms, especially at the expense of civilian programs, our firm resolve is evident. At times increasing the dollar figures, or calculating the level of military spending as a percentage of the federal budget or of G.N.P. seems more important than determining what weapons systems to buy. Indeed, at times, Pentagon officials have seemed hard pressed to come up with feasible ways to spend all the dollars flowing their way.

9. Since we already have the ability to destroy the U.S.S.R. many times over by air, land and sea, funds are expended to push war preparations into exotic new areas like space. Funds are also used to buy new counterforce weapons and to build and refine tactical nuclear weapons

for possible use in Europe, the Mideast or elsewhere. These require new doctrines to rationalize their existence, including the extremely dangerous idea of "limited" nuclear war.

Thus the dynamics of the deterrence doctrine in operation create mutual fear, mistrust and suspicion, inhibit efforts to reduce arms, and spawn new and more dangerous weapons and doctrines. Rather than moving away from a catastrophic war, we are moving toward one. Masses of people in Europe and in our own nation sense this and are in the streets calling on leaders to reverse this suicidal course.

We agree that Soviet leaders must be deterred from launching a nuclear attack on the U.S. But we believe that the history of the last 35 years shows that relying on deterrence by fear is leading the world toward a nuclear holocaust.

While this may not be the proper forum to argue for other ways of deterring war, we believe an alternative is available. Briefly, it would involve building a U.S.-Soviet relationship founded on the harsh necessity for mutual survival, in common interests, on growing interdependence, on mutual efforts to perceive the world from the other's viewpoint, on frank disagreement on matters of principle, and on hard bargaining for agreements to reduce arms and build international institutions.

A nuclear attack by the United States, Great Britain, or France on each other is unthinkable. Each is deterred by this kind of relationship. The challenge is to build a comparable web of mutuality between the Soviet Union and the United States.

The risks and difficulties are immense. But they must be accepted, for they are not as great as the risk of a nuclear catastrophe which waits at the end of our present course.

We urge this subcommittee to play a significant role in reversing the trend toward disaster. We believe there is much you can do by taking a hard and sophisticated look at where real U.S. security interests lie in an interdependent world, and whether further arms increases have any role in providing it. More than most members of Congress, you are also aware of the areas of waste, fraud and mismanagement, and of the lobbying and advertising by the Pentagon and by military contractors which increase the military budget.

We urge you to use your expertise to fashion a bill which cuts deeply into military spending and thereby makes funds available for needed domestic programs and for reductions in the huge projected deficit.

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Mr. ADDABBO. Thank you very much, Mr. Snyder, for your analytic and indepth discussion of this important problem.

Mr. Edwards?

Mr. EDWARDS. No questions, Mr. Chairman.

Mr. ADDABBO. Thank you very much.

There being no further witnesses, the committee stands in recess until 9:30 tomorrow morning.

WEDNESDAY, AUGUST 11, 1982.

CONTRACTING OUT

WITNESS

JAMES MONTGOMERY, CHAIRMAN, PAN AM WORLD SERVICES, INC.

INTRODUCTION

Mr. ADDABBO. The committee will come to order.

This morning the subcommittee will continue to hear testimony from the public witnesses.

First, let me state that most of the members will not be here during the hearing due to the fact the full committee and the other subcommittees, of which we are all members, are in the process of marking up to move the appropriation bills before the start of the new fiscal year as a result of which members will be coming and going.

As a matter of fact, I will be leaving here a little after ten.

My other committee, Treasury-Post Office, has a markup and I must be at that one. Not that your testimony is not as important; but again, our responsibilities are split.

The fact that the members are not here does not mean any lack of interest or concern for your testimony or your opinions. They are very important to the committee, and we commend you for taking your time and energy to make your views known to the committee.

I assure you that your statements will be carefully reviewed by the members of the committee and staff prior to our markup which we hope will be some time in early September.

Because we have an inordinate number of witnesses—this is the largest number we have ever had—over 70—we must limit the time for each witness to give his or her testimony.

The maximum time allotted will be ten minutes. Your entire statements will be made part of the record and, as I said, will be carefully reviewed by myself and the members of the subcommittee and the staff.

We would appreciate it when you do appear before the committee that you summarize your statement.

As I said, your entire statement will be made part of the record.

Our first witness this morning is Mr. James Montgomery, Chairman of Pan Am World Services.

STATEMENT BY MR. MONTGOMERY

Mr. MONTGOMERY. Thank you for the opportunity to appear before you, Mr. Chairman. My full statement has been submitted

for the record and I will give this brief statement well within the time limit you have set.

Mr. Chairman, I am Jim Montgomery, Chief Executive Officer of Pan Am World Services, a wholly owned subsidiary of Pan American World Airways.

Pan Am World Services provides management and technical services for government and commercial projects both in the United States and abroad. It was logical, with Pan Am's well known service to the United States Government during World War II, that in 1953 we were invited to bid on the first conversion to a contract operated facility of a major U.S. Department of Defense installation, the Air Force Eastern Space and Missile Center at Cape Canaveral, which we still serve.

Today our contracts with NASA and the Army, Navy and Air Force make us a leading supplier of services to the Federal Government. This year almost $3 million worth.

We have never had a contract default in whole or in part. We have consistently performed our contract work on schedule and often with substantial underrun.

MORATORIUMS ON CONTRACTING OUT

You can understand why we are rather troubled by the strange pressure on Congress to enact legislation that would restrict contracting out. Moratoriums and restrictions on the A-76 policy will hinder our company and others in providing competent assistance in areas where we have long served the government, and we believe it will prevent the American taxpayer from getting the most and the best for his money.

The moratorium on the firefighting and security segments of service contracting sets an unnecessary precedent, but even more damaging is the amendment calling for a moratorium on cost comparison studies which would actually delay new conversions for at least two to three years.

Let us keep in mind that a drastic step such as a moratorium is not really necessary. After all, in my business an airplane isn't grounded to correct a few minor maintenance problems and the Defense Department, in this issue, has the right and right now the machinery to remedy any faults in the system and all Congress has to do is to direct the department to use that machinery.

IMPACT ON FEDERAL EMPLOYEES

You have heard, Mr. Chairman, that contracting out is an unwise policy in this period of high unemployment because many federal employees would be displaced; but, of course, the fact is under the rules of A-76 a successful bidder on a conversion must offer incumbent job holders the first right of refusal on all jobs for which they are qualified and this is what has happened.

It is also a fallacy that government workers have special training that makes them better suited for government functions than workers from private industry. After all, industry makes, operates, and repairs virtually everything in the government inventory.

Also, the government can control the extent of contractor employee certification and licensing by stipulating the desired requirements.

The claim the government employees are less likely to strike has no real validity after the recent strikes by the air traffic controllers and the postal employees.

On the other hand, Pan Am World Services, during its almost 30 years as a government contractor, has had only one wildcat strike, and that was some years ago and lasted only three hours.

Our union employees have consistently honored the no strike agreements that we have at all of our government operations. It has also been erroneously claimed that certain functions are inherently governmental in nature and that performance by federal employees is mandated, but it has been clearly demonstrated that contract workers are fully qualified to perform most noncombat jobs and, therefore, to legislate that many commercial and industrial-type functions must be assigned only to government employees is based on a totally false assumption.

CONTROL BY INSTALLATION COMMANDER

Another argument against contracting out is that it diminishes the ability of the installation commander to meet his responsibilities regarding the safety of persons and property under his command, especially in an emergency. That is not really true.

A contract can give the installation commander or his representative full control over contractor personnel in any emergency situation and, second, through careful preparation of contingency plans, specific responsibilities can be assigned to the contractor, the civil service, and the military organizations, therefore firmly delineating who is in charge.

A good example is the contracted fire prevention and protection services we have been providing at the Trident Naval Submarine Base since July 1976.

We have received monthly ratings of outstanding from the very beginning. Under very difficult circumstances, our contract security department at Trident Submarine Base has earned the same measure of respect for professionalism and competence as have our security forces at Cape Canaveral Air Force station and the Sacramento Army Depot.

Overseas we have successfully performed the same functions of security and firefighting.

SMALL BUSINESS PARTICIPATION

Another criticism of contracting out is that small businesses are not being sufficiently utilized by prime contractors, but, of course, without cost comparisons there would be no small business participation at all.

There are ample protections in existing regulations to insure whatever level of small and small disadvantaged business participation the government desires. At our Fort Gordon Project, as of the end of June 1982, we had obligated subcontracts in the amount of approximately $12.6 million, of which about $8.5 million—or 76

percent—was obligated to small and small disadvantaged businesses.

Our record for all of our government contracts at eleven different locations is a total of $36.8 million subcontracted to small and small disadvantaged businesses representing 13.4 percent of the total annual contract value.

Our subcontractors agree with us that it is of greater advantage to a small business to have a subcontract with an umbrella contractor than to contract directly with the government.

The prime contractor quite naturally will help small businesses to insure proper performances at a sensible price and train them so that they will be better prepared for future government work.

The proposed split of umbrella contracts into small packages theoretically to increase the opportunities for small business could, in our opinion, achieve just the opposite.

EMPLOYMENT OF MINORITIES

There is a need to maximize employment opportunities for minorities. At our Fort Gordon project again, minorities comprise 31 percent of our work force, and at the Sacramento Army Depot 26 percent.

Total minority representation for all our projects is 15 percent. These percentages do not include women who make up 21 percent of our work force. We have administered over the course of the years the expenditure of well over two billion dollars worth of government funds. Wherever performance has been reflected in the fee we receive, we have consistently received near maximum awards.

At Fort Gordon the Army estimated that the saving to the government over a period of almost five years would be $31.9 million, but already in the first year of contract operation, $8.8 million has been saved, which indicates that the total saving over the course of five years will be considerably more than the Army's own estimate.

The profit motive results in lower prices and higher standards. Data developed over the past three years have demonstrated conclusively that contracting with private industry for commercial services produces savings ranging from 20 to 50 percent.

MILITARY READINESS

What is the effect of contracting on military readiness?

Contractors frequently perform government functions during wartime. Pan American, in addition to its World War II contributions, also actively assisted the military in a major way during the Berlin airlift and the Korean and Vietnam wars and, more recently, in February of 1979, Pan Am was asked by the State Department to evacuate all the Americans from Iran.

These operations are not only a tribute to the capabilities and courage of private sector workers, but are also proof that a commercial company can respond when needed and that readiness depends on skills, training, and attitude and not on whether the personnel are in the employ of the government or a private firm.

At Fort Gordon, the conversion to a contract operation freed over 450 servicemen for assignment to more critical military jobs, and

readiness at this installation has improved from 84 percent at the beginning of our contract to 88 percent at the end of the first year.

Service contracting, Mr. Chairman, is a fact. My company has been contracting with the government for almost 30 years. Many other firms and many government agencies have also been successfully contracting for many years, and we are not, therefore, really dealing with an unknown quantity.

It has been clearly demonstrated over and over again that contracting out gets the job done, affects many efficiencies, saves the government millions of dollars with the potential of billions, and introduces helpful new ideas to government organizations.

It does this without affecting military readiness or creating unemployment. Contracting out works and works well.

[The statement of Mr. Montgomery follows:]

Statement on
Contracting Out
by
Mr. James Montgomery
Chairman, President and Chief Executive Officer
Pan Am World Services, Inc.
before the
Committee on Appropriations
Subcommittee on Defense
House of Representatives
on
August 11, 1982

I am James Montgomery, Chairman, President and Chief Executive Officer of Pan Am World Services, Inc., a wholly owned subsidiary of Pan American World Airways, Inc.

Pan Am World Services provides management and technical services for government and commercial projects both in the United States and abroad through our Aerospace and Base Support Services Division, our International and Engineering Services Division, our General Aviation Services Division and Airline Operations Training, Inc.

The following presents our views on the subject of contracting out. To put them in the proper context, I would like first to review briefly the history of our organization.

During World War II, Pan Am made a major commitment to our government -- and a substantial contribution to the nation's war effort -- by assigning, directly or indirectly, virtually all of its equipment and personnel to activities in support of our country's military operations. As the largest air transport contractor to the Army and the Navy, Pan Am flew over 90 million miles for the government and made more than 18,000 ocean crossings. In the first years of the war, we ferried 542 bombers and transports to the war zones. Pan Am also trained more than 5,000 military pilots and thousands of mechanics, and established schools and procedures for the training of many more thousands. And we built some 50 airports in 15 countries, almost all of them in remote, often hostile, locations, so that supplies and military personnel could be flown to combat areas where they were urgently needed.

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Our overseas airport construction activities led to the postwar development of what we called our "technical services program," now a part of the International and Engineering Services Division of Pan Am World Services. Implementation of the program consisted of providing essential technical assistance to more than 25 countries to help them establish and operate their air transport systems. This was often done in cooperation with the U.S. State Department.

It was logical that we would eventually be asked to apply this support services experience to government projects in our own country, especially since we had worked so closely and successfully with U.S. military units during World War II. And that's what happened. In 1953, we were invited to bid on the first conversion to a contract-operated facility of a major Department of Defense installation, the Air Force Eastern Space and Missile Center at Cape Canaveral. We were awarded the contract, and have been the prime support services contractor to the Air Force at this facility ever since -- a period of almost 30 years.

As a result of our performance there, Pan Am was selected to provide management, operations and maintenance services at other vital U.S. installations. Our expertise and reputation grew and so did the number of our government assignments -- and today, our contracts with NASA and the Army, Navy and Air Force make our Aerospace and Base Support Services Division a leading supplier of services to the Federal government. This year, we will do almost $300 million of government service contract work.

The government facilities we currently serve, in addition to the Air Force Eastern Space and Missile Center, include the Kennedy Space Center in Florida; the Trident Submarine Base, Bangor, Washington; the Army's Fort Gordon in Georgia; the Sacramento Army Depot in California; the Johnson Space Center in Texas; the National Space Technology Laboratories, Mississippi; the Arnold Engineering Development Center, Tennessee; the China Lake Naval Weapons Center in California; and other technical installations in this country and abroad.

We are proud of our history of service. We have been partners with our government in many complex and important undertakings, and we believe that we have contributed to their success. And I would like to point out that in our 30 years of providing support services to military and other government organizations, we have never had a contract default in whole or in part, nor have we ever protested the decision of a contracting officer. We have consistently performed our contract work on schedule, and often with a substantial cost underrun. In recognition of our performance, we have received many, many commendations from officials of the organizations with which we have worked.

Because of our many years of experience as a contractor working with the government in a wide range of programs, I hope you will agree that we are uniquely qualified to speak on the subject of contracting out. I also hope you can understand why we are troubled by the growing pressures on Congress to enact legislation that would place on the Department of Defense, and the services within the Department's purview, restrictions on contracting out commercial and industrial functions to private industry. We see the OMB's Circular A-76 policy on contracting as a process to ensure that the American taxpayer is getting the most and the best for his money. Now that policy is in jeopardy. The moratorium on the firefighting and security segments of service contracting sets a dangerous precedent. Even more damaging is the Fazio Amendment to the Defense Authorization Bill calling for a moratorium on cost comparison studies. This amendment would delay new conversions for at least two to three years. Moratoriums and restrictions on the A-76 policy will prevent our company and scores of others from providing competent assistance in areas where we have long served the government, and will be detrimental to the missions of the government agencies involved.

At the same time, we can understand your concern. You have heard arguments in favor of a moratorium or restrictions on contracting out which, if true, would be compelling indeed. However, in our opinion, most of these arguments are based on misconceptions and misinformation, or a lack of information. It is important that we set the record straight.

You have been told that contracting out is an unwise policy in this period of high unemployment because many Federal employees would be displaced or offered lower level jobs. The fact is, of course, that under the rules of A-76 a successful bidder on a conversion must offer incumbent job holders the first right of refusal on all jobs for which they are qualified. Even if it were not required, most contractors -- including Pan Am World Services -- want to hire former employees to gain the benefits of their expertise and their knowledge of day-to-day operations, as well as for reasons of continuity. In conversions in which we have been the contractor, we have found that the great majority of incumbent civil servants are pleased to join our company and are quick to make the transition to our way of doing things. The Department of Defense estimates that in recent conversions 85 percent of all civil service employees involved chose to transfer to the new contractor. The others took early retirement or accepted other jobs that were offered to them. What has not happened is widespread unemployment of government workers forced out by conversions to contract operations.

In light of the large number of former government employees now working for service contract companies, it is surprising to hear it said that private sector employees are not as well equipped to perform necessary tasks as are government employees. Surely, we must ask why it is that the same employees who were considered competent and reliable when employed by the Federal government are suddenly incompetent and unreliable when employed by the private sector?

Even when a job is not filled by a former government employee, the argument is not valid, because it is a fallacy that government workers have special training that makes them better suited for government functions than a worker from private industry. Our experience has been that most government functions do not require any special skills that are not available from the private sector. After all, industry makes, repairs and

operates virtually everything in the government inventory. There is, therefore, a ready source of highly capable, experienced workers for every function performed at every major government facility location. And this means that a contractor can quickly mobilize and employ an effective work force, whatever the assignment.

It is also important to recognize that the government can control the extent of contractor employee certification and licensing by stipulating the desired requirements in the contract specifications. In general, umbrella contractor work forces include more licensed and certified personnel than do comparable government work forces. For example, contractors typically employ a higher percentage of registered professional engineers than do their government counterparts.

Whether they come from government or the private sector, employees are almost invariably better supervised and managed by a contracting company than by the government, and this translates into greater efficiency and productivity. In the private sector, when incompetence or dishonesty is encountered, the employee is fired. Under the paternalistic civil service regulations, with their red tape and endless appeals, it is almost impossible to fire poor or untrustworthy performers. Therefore, the government work force is seldom subjected to any meaningful weeding out. Nor is its effectiveness regularly subjected to any real evaluation or comparison with responsible standards. Even where government work forces are much larger than warranted, reductions in the size of a work force are rare. Only when faced with competition under the guidelines of A-76 do government agencies develop a strong awareness of excess staffing.

So for these and other reasons, we feel that the argument that government employees are better equipped than contractor employees to perform tasks at government facilities is without merit. In fact, there is mounting evidence that the converse is true. And this is not just our opinion. In case after case, government contracting officers have stated that the quality of services under contract is at least equal to, and in many cases is superior to, that which government employees deliver.

It is also a fallacy that contract employees get higher pay than government employees. The fact is, nearly all rates for contract employees are lower than the comparable government wage scale. If this were not true, it would be difficult for a contractor to perform the same work at a lower cost, which is almost always the case. But even if the pay rates were equal, most contractors will save the government money by more efficiently assigning employees. This is another example of the better management factor mentioned earlier.

Another widely held misconception is that workers in the private sector are more likely to be organized and are therefore more likely to strike. Actually, it is in the government sector that we have seen the largest growth in the percentage of workers who are organized. During the last ten years, the percentage of organized government employees has increased to well over 70 percent. And the claim that government employees are less likely to strike has no validity after the much-publicized strikes by the air traffic controllers and the postal employees -- not to mention the constant unrest of firemen, police, teachers and even medical support personnel in the civil service who have called strikes or have threatened to do so. Among three functions in the government work force -- transportation, fire protection and libraries -- work stoppages increased in 1980, the year of the latest available figures, to the highest level since this data was first collected in 1958. Since 1971, there have been at least 22 separate work stoppages by Federal employees in direct violation of Congress and the Supreme Court. And in countless other cases where an actual strike was not called, government employees have used sickouts and slowdowns to win concessions from the government. On the other hand, Pan Am World Services, during its almost 30 years as a government contractor, has had only one wildcat strike and that was many years ago and lasted only three hours. Our union employees have consistently honored the no-strike agreements we have at all of our government operations.

It has also been erroneously claimed that certain functions are inherently governmental in nature and that performance by Federal employees is mandated. This is without substantive support. In fact, it has been clearly demonstrated that contract workers are fully qualified to perform most non-combat jobs. Therefore, to legislate that many commercial and industrial-type functions must be assigned only to government employees is based on a totally false assumption. It would mean that permanent loss of all the benefits of private sector participation in the many areas where it has been making significant contributions.

Another specious argument against contracting out is that it diminishes the ability of the installation commander to meet his responsibilities regarding the safety and physical security of persons and property under his command -- especially in an emergency.

Not true. First and foremost, a contract can be worded to give the installation commander or his representative full control over contractor employees in any emergency situation. Second, through careful preparation of disaster preparedness and other emergency contingency plans, specific responsibilities can be assigned to the contractor, the civil service and the military organization, all reporting to the installation commander or his representative, thereby eliminating any semblance of fragmentation and firmly delineating who is in charge.

In the nearly thirty years that Pan Am World Services has been providing contractural services in the fire and security areas, there has not been a single instance when an installation commander found that he could not meet his responsibilities because of a lack of control over our employees. We have no reservations about taking orders from our customer in emergency situations, and we have played a key role in planning, drill scenarios and critiques as well as in actual emergencies. Commanding officers with whom we have worked are well aware of this. In fact, commanders who are familiar with our operations and capabilities

are very pleased to have on call a long-term and experienced contractor work force to offset the problems associated with the high turnover rate of military personnel and frequently the civil service bureaucracy.

A good example is the contracted fire prevention and protection services that we have been providing at the Trident Naval Submarine Base since June 1976. While we provide similar services at our Cape Canaveral project and at the Arnold Engineering Development Center in Tennessee, this testimony will focus on our activities at the Trident SUBASE.

At the Trident Base, the many special structures, liquid and solid propellants, oxidizers, nuclear and exploding ordnance and the ongoing construction program present hazards not ordinarily faced by a fire service company. The firefighters require detailed contingency planning, extensive training, frequent drills and constant updating of instructions to maintain a high level of readiness. There is an additional requirement that we participate in disaster preparedness, nuclear radiation and training operation drills.

Fire prevention and fire suppression services are provided at the Trident SUBASE on a 24-hour day, 7-day week. And all facts indicate that we are not only technically competent and cost effective, but are providing excellent service and performance as well. Our fire department has received outstanding monthly ratings from the Technical Representative of the Commanding Officer from the very first month after our takeover. It has also received numerous commendations from Navy Commands at SUBASE and the Naval Regional Medical Center, and from the civilian community outside the boundaries of the Base.

Our contract security department at the Trident SUBASE has earned the same measure of respect for professionalism and competence as our fire department -- and our security forces at the Air Force Space and Missile Center at Cape Canaveral Air Force Station and at the Sacramento Army Depot have performed with equal success.

At Trident, physical security is provided for the perimeter fences and gates, as well as 2,000 structures and buildings in four housing areas and in the administrative and industrial areas of the Base. Mobile units patrol 21 miles of fenceline and nearly 90 miles of roadways. Internal patrols check buildings and observe waterfront activity. Pass and ID functions support the 10,000 residents and personnel who live and work at SUBASE. Our security department controls visitors, performs vehicle safety checks, registers vehicles, controls traffic, investigates incidents and accidents and enforces state, federal and military regulations.

Our Trident security force has become a truly effective unit, gaining the confidence of the Navy and the Sheriff's Department in Washington's Kitsap County. We have earned accolades from the Department of the Navy for handling major anti-nuclear demonstrations involving thousands of persons. Our investigators diligently pursue the literally hundreds of cases assigned to them and have a very high case conclusion percentage. Our procedures and our performance are consistently innovative and complete, and are so recognized by those in authority.

With the very successful operations of Pan Am World Services fire and security functions at the Trident SUBASE, Cape Canaveral and other locations, and in many emergency situations including anti-nuclear demonstrations, aircraft crashes and missile explosions, it is very difficult to credit the argument that vital functions are threatened by a contractor operation. In fact, there is direct evidence in our experience that contractor operations can be superior to that of a government work force. During early months of our assigned fire department responsibilities at Trident, we operated the newly constructed base fire station while government personnel continued to operate the older station that they had manned for many years. During months of side-by-side operation, our department was judged significantly superior to the civil service operation, despite the much shorter training period which our personnel had.

It is unfortunate that a moratorium should be specifically directed at the fire and security segments of service contracting, which are probably the most widely contracted out functions and are certainly among the most successfully operated. Based on our long association in the highly visible areas of Cape Canaveral, and more recently at the Trident Submarine Base, we know that these services can be safely and efficiently contracted out at a substantial saving to the government, and we have many years of trouble-free performance to prove it. We are absolutely confident that our fire and security personnel rank with the finest in the country, and we would welcome the opportunity to demonstrate their ability to all interested parties.

Another criticism of contracting out is that small businesses are not being sufficiently utilized by prime contractors. Of course, without contracting out, there would be no small business participation. And even when contracting out is unrestricted, there are ample protections in existing regulations to ensure whatever level of small and small disadvantaged business participation that the government desires in the contracts that it awards. This is accomplished by requiring large umbrella contractors to develop subcontracting plans that specify the extent of small business participation. An example of this is the Pan Am World Services contract at the Trident Submarine Base. During FY-81, $6.3 million was subcontracted to small businesses, representing 15 percent of the total contract price. Another example is the Fort Gordon project. As part of the negotiation of this contract, we submitted a subcontracting plan wherein we proposed to subcontract over 53 percent of the prime contract to other business concerns. As of the end of June 1982, we had obligated subcontracts in the amount of approximately $12.6 million, of which approximately $8.5 million, or 67 percent, was obligated to small and small disadvantaged business concerns. We placed special emphasis on small disadvantaged businesses, which account for 62 percent of our subcontracted dollars.

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Our record for all of our Aerospace and Base Support Services Division's government contracts, at 11 different locations, is a total of $36.8 million subcontracted to small and small disadvantaged businesses, representing 13.4 percent of the total annual contract value.

We feel that our subcontracting programs have been extremely successful, primarily because we have done more than merely comply with Public Law 95-507 and the regulations promulgated pursuant to this statute dealing with the subcontracting responsibilities of government contractors. As a matter of new business policy, we have for some time involved small and small disadvantaged businesses in our major contracts. This has been far more than a token effort. We have taken extra steps to make sure that the intent of the law is a meaningful part of our everyday business practices, policies and procedures. We have brought small and small disadvantaged businesses into our operations for significant functions, such as computer operations, publications services, construction, security, library operations, fire protection/prevention, telephone operations and food services. We currently subcontract to a number of these firms, and we take considerable pride in helping them to improve their management techniques and achieve performance and profit goals.

I think it significant at this point to note that many in the service contract business believe that the poor reputation that is frequently attributed to service contractors stems largely from the manner in which the government contracts directly to small and disadvantaged businesses for commercial services. Too frequently, a contract is given or awarded to a company that has inadequate management talent, marginal financial resources and very little, if any, directly applicable experience. Usually, a contract price is negotiated that is inadquate to do the job to the expected standards, and so the company is faced with scrimping on services or going bankrupt. In addition, because of the money squeeze and the lack of contractor management, the government is faced with increased inspection costs in its effort to obtain satisfactory results.

The umbrella contractor faces similar problems in subcontracting to small and disadvantaged businesses, but normally assures proper pricing so that no company is put in the position of having to choose between poor performance or "losing their shirts." In this respect, we believe it is of greater advantage to a small business to have a subcontract with an umbrella contractor rather than to contract directly with the government. The prime contractor will protect small businesses to ensure proper performance at a sensible price and train them so that they will be better prepared for future government work.

We believe that our experience has demonstrated the viability of umbrella contracts as a way of expanding small business participation in government projects. The proposed split-up of umbrella contracts into small packages, theoretically to increase the opportunities for small business, has the potential for achieving just the opposite. The small business cannot -- as a result of A-76 load factors and the lack of an offsetting economy of scale -- win against many of the in-house bids on small, fragmented contracts. Thus, the opportunities for conversion to contract would be minimal, and small businesses would only be competing against each other for existing contracts. In umbrella contracts, on the other hand, the economy of scale favors conversion to contract; and under DAR subcontracting requirements, small business can be assured of participation in many new umbrella conversions.

Unfortunately, these small businesses would be hit hardest by restricting the A-76 policy on contracting out. During a period of economic uncertainty for businesses of all sizes, the moratorium withdraws even marginal security from one of the few segments of our economy that is growing, and is particularly damaging to the small businesses that support DOD's industrial base. Small firms will not be able to maintain their place in the market if they cannot anticipate with a minimum of certainty whether their market will be there next year or even three years from now. Regardless of Congressional intent, a moratorium or unfair restrictions on contracting will seriously damage the small business community's position in DOD's industrial base.

We are also cognizant of the need to maximize employment opportunities for minorities -- another area in which there has been some criticism of contracting out -- and here, too, we have been successful. At the Fort Gordon project, minorities comprise 31 percent of our work force. At the Army Sacramento Support project the minority percentage is 26 percent. At the Navy Trident Support project over 17 percent of our employees are from minority groups. Total minority representation for all of our Aerospace and Base Support Services Division projects is 15 percent. These percentages do not include women, who comprise 21 percent of our work force at these projects.

This brings me to two key questions that must be ansered before a sound policy on contracting out can be formulated. The first I have already partially answered; is contracting out the best way to ensure that support services are being delivered most efficiently and most economically while meeting high government standards? The second question, which is of paramount importance, is: does contracting out adversely affect our nation's military readiness? I will answer them in that order.

Despite abundant evidence to the contrary, critics of contracting out still perceive it as leading to a deterioration of performance and an escalation of costs. Let's look at the record of Pan Am World Services, which is typical of outstanding service contractors.

Our Aerospace and Base Support Services Division has administered the expenditure of well over $2 billion of government funds on service contracts. We have performed under several different contract modes: fixed price, cost plus award fee, cost plus fixed fee, incentive fee and other variations. And as I mentioned at the beginning of my remarks, we have never had a contract terminated for failure to perform.

Wherever performance has been reflected in the fee, we have consistently received near maximum award. During a seven-year period at the Air Force Test Range -- from 1966 through 1972 -- when we operated

under a cost plus contract that incorporated incentive features, our technical performance ratings ranged from 95.14 points to 98.44 points out of a maximum 100 points. Our percent of cost underrun during that same period ranged from 1.7 percent to 6.5 percent. Since 1972, operating under a different type of contract, we have continued to underrun target costs.

During the first two contract periods at the Trident Submarine Base, our contract was a cost plus award fee. We received 92.8 percent and 97.1 percent respectively of the maximum award fees. Throughout our six-year tenure, the key government personnel involved, including commanders, staff and contract administrators, have been almost unanimous in describing our performance as superior to that which would have been obtained with a government work force.

Fort Gordon is a good example of how we have been able to effect substantial savings through more efficient operations. The annual value of the contract, which covers a variety of responsibilities including maintenance, transportation, supply and services, is $24.5 million. The Army estimated that the savings to the government over a period of almost five years would be $31.9 million. Already, in the first year of contract operation, $8.8 million has been saved -- which indicates that the total saving will be considerably more than the Army's estimate. Moreover, the conversion has also added 200 employees to the civilian economy and, consequently, is generating new Federal and local tax revenues from the new employees as well as from the contractor. We understand that the community views our presence there as a very favorable change. In addition, the Army evaluation of our services at Fort Gordon under the award fee contract has placed our operations in the "excellent performance" range at 96 percent.

At the Sacramento Army Depot in California, where we provide many different support services, the in-house cost estimate was over $24.8 million for fiscal years 1979 through 1981. Our bid price for the same period was slightly under $13.6 million. The saving to the government as a result of converting to contractor performance was approximately $11.2 million, or 45 percent.

Other Army installations are also saving substantial amounts by contracting out. Over the last three years, the Army figures it has saved over $312 million as a result of converting to contract performance.

There are some who believe that because a contractor is in business to make a profit he charges a higher price and tries to cut costs by lowering his standards. The opposite is the truth. The fact is, all business is motivated by profit, which is not a dirty word. It is at the very heart of our free enterprise system, and without it our nation would not be what it is today. But to make a profit in a highly competitive business, which we are in, we must perform professionally, responsively and with cost efficiency or we will be replaced. Actually, the profit motive results in lower prices and higher standards.

Data developed over the past three years under the policies of A-76 have demonstrated conclusively and consistently that contracting with private industry for commercial-type services produces savings ranging from 20 percent to 50 percent compared with estimates for performance of the same work by federal employees. Furthermore, virtually all contracts for work of this nature are awarded competitively and, if program costs do rise, it is usually because the agency concerned did not accurately describe its work requirements or increased the scope of the work.

Additionally, data developed by DOD reveal that savings accrue even when work is not contracted out and remains in-house. In case after case, government managers have suddenly found it possible to introduce substantial economies, averaging 20 percent, in the face of a cost comparison with private industry.

I would like to read here a pertinent excerpt from an article by Edwin Harper, Assistant to the President for Policy Development, that appeared in the June 1982 issue of Government Executive:

"Aggressive implementation of A-76 will ensure economical performance of government operations. This emphasis on contracting out is not a mindless philosophic commitment to 'free enterprise,' but it represents an acknowledgment of our fiduciary responsibility to the American taxpayer

to make the most efficient possible use of his tax dollar for the purposes authorized by the Congress. Competition for government business fosters efficiency and economy in the Federal government. The Defense Department's experience in the last three years of vigorously implementing A-76 proves the case. A total of 440 cost studies were conducted by the three military services. Sixty percent -- or 264 -- of these studies involving 11,000 full-time jobs resulted in a decision to convert to private sector contractors. The savings are projected to be $90 million annually."
Mr. Harper goes on to state that, if the thousands of other commercial and industrial activities of the government were subject to the cost comparison studies required by A-76, an estimated 154,000 personnel spaces could be converted to contract operations with a 5-year cumulative saving in excess of $5 billion.

The final point I would like to discuss is the effect of contracting out on military readiness. It has been said that contractors performing commercial and industrial functions for the government weakens our "war-readiness" position, that most functions currently performed by government personnel are inherently government functions and cannot be performed efficiently or reliably by contractor personnel.

I touched on this point earlier when I was discussing the competency of private sector workers. As we all know, contractors frequently perform government functions during wartime, and in fact have more flexibility to respond when government resources and personnel are not available. There is no non-combat function that is beyond the industrial base of this country. Civilians have regularly performed depot maintenance activities and many other support tasks, such as the fueling of aircraft, and have even operated airlifts and constructed air bases, as Pan Am did in World War II. There are other examples. In 1948, Pan Am went to the rescue of West Berlin by participating in the Berlin Airlift, making more than 2,000 flights carrying food, water and other supplies into the city. During the Korean War, Pan Am again assisted the U.S. military transport services, and for over three years operated a personnel and cargo shuttle across the Pacific. Pan Am also was active in the Vietnam War, committing

up to 20 of its jets to fly essential supplies, mail and personnel between the United States and Vietnam; and we assigned other aircraft to carrying fighting men on brief leaves as part of the government's Rest and Rehabilitation Program. General Westmoreland, in his book "A Soldier Reports," wrote this about Pan Am's involvement in Vietnam: "Another civilian organization that proved to be a critical element in the supply lifeline was Pan American World Airways. The pilots and crews of Pan Am never said no, whatever the strain or danger. From the chairman of the board, Juan Trippe, to the gracious stewardesses, Pan Am proved a close friend of the man in uniform."

From the founding of our company 55 years ago, Pan Am personnel, aircraft and technical knowledge have been called upon frequently to aid not only Americans but people of all nationalities in times of crisis. Pan Am's ability to move quickly and effectively in an emergency has been demonstrated time and time again -- bringing aid to victims of natural disasters, such as earthquakes and hurricanes, and on several occasions evacuating American citizens from countries in turmoil. A recent example was in February 1979, when the State Department activated its open contract with Pan Am and asked us to evacuate Americans from Iran when that country exploded in violence. During a six-day period, Pan Am flights took out nearly 4,000 Americans. These were in addition to the thousands that had been flown out earlier on scheduled Pan Am flights and charters. And despite the continual presence of armed troops at the airport, the evacuation was carried out without an injury or a mishap by regular Pan Am crews that had volunteered for the job. It was a mission that could not have been carried out by military forces or even by civilian government workers, which could have been interpreted as a hostile move on the part of the United States. On a number of other occasions through the years, civilian employees of private companies serving in potentially dangerous areas, as many of our employees are doing, have been asked to perform tasks that are too sensitive to assign to government representatives and they always perform them courageously and with

distinction. These successful operations are not only a tribute to the capabilities of private sector workers, but are also proof that a company like Pan Am can respond when needed and that "readiness" depends on skills, training and attitude and not on whether the personnel are in the employ of the government or a private firm. Pan Am has also been active in the Civil Reserve Air Fleet, a pool of airliners which meet rigid military standards and can be called on in a national emergency. Since the beginning of the program in 1952, Pan Am has consistently allocated more airlift capability to CRAF than any other airline.

The presence of a contractor at a primary military base frees the military personnel for more direct readiness duties, and for combat assignments in time of war. At Fort Gordon, for example, the conversion to a contract operation freed over 450 servicemen -- about the size of a small battalion -- for assignment to more critical military jobs. And readiness at this installation has improved since the conversion, rather than deteriorated, as critics predicted. Maintenance readiness was evaluated at 84.5 percent at the beginning of our contract, and had risen to 88.4 percent at the end of the first year. There have been a number of deployment exercises and actual deployments at Fort Gordon since the contract began, and all were rated successful by the Army. The most recent was conducted in July 1982, and elicited this praise from the Army: "The Pan Am Fort Gordon Support Project, as a whole, should be commended for a truly superb effort in supporting the XVIIIth Airborne Corps PDX6-82."

At the military bases where we have appropriate contract requirements, we are allowed to participate regularly in readiness exercises, and the mobilization readiness of our customer units has improved with our support. It is entirely reasonable to have a contractor participate in emergency deployment readiness exercises, to brief operational units and to instruct the units on the appropriate procedures, techniques and skills within established service regulations. We have observed that a young and inexperienced military work force can be improved through instruction and assistance by qualified contractor personnel who have the benefit of continuity in the functions. In many instances, a contractor is better able to respond to rapid change or increased demand than the Federal system itself.

Responsibility for our nation's military readiness has clearly been delegated to the Department of Defense and the armed services. We have to believe that they are competent to make individual procurement judgments consistent with this primary objective, and that, when they turn to the private sector for support services, they are convinced that they are not jeopardizing our country's security but are strengthening it.

This point was stated as recently as July 29 of this year by General John Vessey, Chairman of the Joint Chiefs of Staff, who wrote in part: "...the primary rationale given in support of these program limitations is that contracting out may adversely affect military readiness. On the contrary, the theory behind contracting for goods and services readily available from the civilian economy is to enhance military capabilities by freeing military personnel and Department of Defense civilian employees for use in unique military tasks and those tasks which for security reasons should be carried out by government employees.

"No activity is to be contracted out if performance by Defense personnel is essential to national security. When the armed services contract for base operating support, the purpose is to put more military members and DOD civilians to work on improving military capability of our fighting forces. The armed services should not be required to work under legislation that would hamper efforts to improve efficiency, but should be allowed to contract for goods and services in a way that saves money while enhancing military capabilities and preserving security."

A case for contracting out was also made last month by Secretary of Defense Weinberger. He wrote that "By subjecting about 400 of our commercial activities to the beneficial pressure of open competition in recent years, we have achieved annual savings of $84 million, made 12,000 military and civilian manpower authorizations available for other defense needs, and created nearly that many new jobs in the private sector. There are many more activities to be reviewed with great potential for more savings.

"The Senate has approved an amendment to the authorization bill that would prevent us from entering into any contracts for firefighting and guard services. We have successfully contracted both functions for several years and have received excellent service even at our most sensitive installations. All such activities are studied on a case-by-case basis to ensure that exemptions for national security reasons are made when they are appropriate. The amendment would halt ongoing efforts to study about 8,000 jobs.

"I firmly believe these actions are not in the best interests of the Department or the Nation."

In conclusion, let me remind you that service contracting is a fact. My company has been contracting with the government for almost 30 years. Many other firms and many government agencies have also been successfully contracting for years. So we are not dealing with an unknown quantity.

It has been clearly demonstrated, over and over again, that contracting out gets the job done, effects many efficiencies, saves the government millions of dollars, and introduces helpful new ideas to government agencies -- and does this without affecting military readiness or creating widespread unemployment. In short, it works and works well.

In general, contractors are a hardworking and skilled group, committed to doing their assigned jobs well. We are responsible and innovative. There is virtually no non-combat government assignment we can't take on. We handle our employees as well as anyone can handle employees these days and, we believe, significantly better than government employees are controlled. We share our contract dollars with small and disadvantaged businesses because we are convinced tht it is good for the economy and the country -- and for the same reason we go out of our way to provide employment opportunities for minorities. Strikes are not the problem some have claimed they are. Statistics show that private industry does not really have many strikes and, with no-strike agreements, service contractors have almost none. We believe in competitive bidding as long as it is done fairly and

according to published ground rules. Most important, we like to wor with the government, and we want to continue to do so. We recognize the importance of our services, and we are proud that we consistently perform them to the satisfaction of the agencies that hire us.

We firmly believe that contracting out is a partnership that mutually benefits both our government and private business, and that it is in the best interests of the national defense and of the American public. Any moratorium placed on any specific aspect of service contracting because of a lack of confidence and understanding of the benefits derived from contracting out would have the unfortunate consequence of depriving the American taxpayer of satisfactory and often superior performance at a lower cost.

Let us keep in mind that a drastic step such as a moratorium is not necessary. After all, an airplane isn't grounded to correct a few minor maintenance problems. The Defense Department right now has the machinery to remedy any faults in the system, and all Congress has to do is direct the Department to use it.

I thank you for this opportunity to present our views on contracting out, which has so clearly demonstrated that it benefits our country

That concludes my testimony, Mr. Chairman.

Mr. ADDABBO. Thank you, Mr. Montgomery. We appreciate your thorough examination of this very important problem.

I agree with you we cannot just stop completely. The contracting-out proposition must be evaluated on its merits. Your company has been of great service to our country in our national defense. We commend you for it.

Thank you very much.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

WEDNESDAY, AUGUST 11, 1982.

DANGER OF NUCLEAR WAR

WITNESS

LEILA ANDERSON, MINISTER OF THE UNITED CHURCH OF CHRIST

Mr. ADDABBO. Our next witness is Ms. Leila Anderson.

Ms. ANDERSON. I thank you, Mr. Chairman.

Mr. ADDABBO. Ms. Anderson, the committee welcomes you and thanks you for taking your time and commends you on your 84 years of youngness.

Ms. ANDERSON. Thank you. I am probably the oldest person that will be speaking to you during these hearings.

Mr. ADDABBO. Only in age.

STATEMENT BY MS. ANDERSON

Ms. ANDERSON. I wish to say thank you to the Chairman and to the members of the committee for having this kind of hearing.

Yesterday I had an interesting interview with somebody here in the area. I said to him something that I thoroughly believe in: That when we are willing to listen, hear each other, evaluate each others' ideas, this is democracy in action.

So that is what you are doing in giving us this privilege of speaking.

I am older; 84 now. I came a long way by myself, driving almost 900 miles across those endless level plains of Indiana and Ohio, and then I came near mountains. I had to push that diesel of mine.

By the way, it made 59 miles to the gallon even on pushing it to get up the hills and to try to stop it going down.

Mr. EDWARDS. What kind of car is it?

Ms. ANDERSON. It is a VW and a good one.

Mr. ADDABBO. Made in Pennsylvania.

Ms. ANDERSON. I am here for ten minutes of importance in my life. I hope I may bring something to you that you will be listening to.

I hope it will be something that you can think about, evaluate, help in your decisions in voting, and that is the democratic way. Thank you.

DANGER OF NUCLEAR WAR

I do represent not only my own denomination, the Church of Christ, in the work that I am now doing, but I also represent many, many older folks for I am finding, as I talk to people about this nuclear danger which I see and will be talking about in a few minutes, that older folks have much more fear.

They get up much more often in the morning wondering if the world is going to be here and we will have a chance to get up, as is true of myself.

I am wondering if, as you get older—none of you have reached that stage yet—I wonder if, as you get older, it may be true that life becomes more important and therefore this may account for the fact that these older folks with whom I talk have much more fear than I find especially with those who happen to be middle life.

Place yourself in whichever category you think you are.

I am especially concerned about that on which you are voting. I have been concerned—well, I lived through four wars. I am a birthright Republican and vote as I please. I have traveled in 31 countries. I am trained in this field of evaluation of culture, even had a book published by Harper and Brothers on this subject.

I have spent much of my adult life in simply traveling across this country. I have been called the Pilgrim Circuit Rider, a good name.

As I traveled across the country, I tried to help people in our churches and others to understand what is happening to us in changes and therefore what we have to do.

So I do bring to you today this evaluation out of this kind of lifetime experience in doing this.

I have been very concerned for the first time in my life—having lived through four major wars—I see the possibility that we will be destroying our world and all the people in it.

I have been writing to the President about it because I grew up a few years earlier than he did, but we grew up in the same basic philosophy of life from which he takes now his basic ideas that he is implementing or trying to implement.

For the first time in my life I am really concerned that we may blow ourselves to pieces either by accident because of the nuclear or by planned design which finally gets out of control so that those who intend to stop it find they can't stop that which they have started in a nuclear attack.

There are two parts to what you are voting about that I would especially like to have your thoughts about.

MATTER OF TIME

One is certainly the matter of time. Under the present plan there is usually thirty minutes before a strike hits or before a bomb hits and you may know—oh, they estimate all the way from 39 to 152 that have happened in the last 18 months. You may remember the three in 1980 that especially you knew about.

Under this plan, if you vote for this trajectory depression technology—I hope I have the words right—then the submarines in the North Sea can launch and hit the targets in eight minutes. The Pershing II located in Germany, if you vote for this also, can hit in six minutes, not time to stop accidents.

If you vote in favor of this new equipment with its speed, you are voting for a system in which we will not be able to stop the accidents that so far we have been able to stop.

Also, it is generally recognized that with the new material we will have the capability to do a first strike. Many of us feel that that is all you need to start the war. We do not hear quite as much

these days about parity as we did, and I am glad we don't because actually parity in my opinion does not mean anything. You only need a small amount of this huge amount that both competitors have stored in order to destroy the world.

So, adding some more doesn't give an advantage, even if it does result in what could be called parity.

DETERRENCE

Also, we don't hear as much about deterrent as we used to hear, and I am glad of that also.

In my opinion, that has no meaning. We know that the Soviets now through START are doing negotiating. This is excellent, but we also know that the Soviets have announced that if we do this increase in our nuclear equipment such as you will be voting on, they say they will do the same.

Why not? Wouldn't you? Wouldn't you also do the first strike in order to get ahead of the other fellow hitting you when both sides have the power to do it?

So I am glad we are not hearing quite as much about this matter of balance and deterrent because I think neither one has any real validity in terms of the kind of war that we are now having in which the nuclear has this possibility and this risk of either being—blowing us to pieces because of accident or because the situation gets out of control and the countries can't stop it.

AFFECTS ON ECONOMIC CONDITIONS

This also affects our economic condition, as you know. I am not telling you anything new in all of this, except I hope that you are realizing this is a democratic process and I appreciate your listening to me this morning, as you are doing. We all know of the deficit. Every committee in Congress, I am sure, is struggling with it. Now, we cannot blame all of that deficit on the nuclear, but certainly a part.

Somebody said it might be 15 percent. Well, that is 15 percent of the Pentagon budget and it is a part of this whole process. This certainly is affecting our economics as you are trying to balance it by taking it out of something else in order to provide it over here for the military.

It also affects industry. Those who receive the government contracts are, as you know, guaranteed a sale. They are also guaranteed a cost factor, and judging by past experience, if you are a military contractor, you can have an overrun.

They do. So if the interest goes higher, the cost is higher, they are all right.

Also, if they don't get done on time, they are all right because, well, they let them take more time. This is not true of the non-military people.

As you know now, the non-military is not expanding as we need to have them do. They do not have this guarantee. It is interesting also that the public suffers through this economic military contract business. It doesn't help labor.

Actually you could spend the same money on something else, non-military, and it would hire more people because in the particu-

lar procedures required in modern military construction, you have to have the experts and not a lot of other people doing the job.

We are taking the engineers away from people, away from other businesses. I am told 30 percent of the engineers now are in military contracts. This means that you and we, the public, do not have the benefit of the skilled labor and the new gadgets that we would all like to have simply because the engineers are over here where the wages are higher, probably, and you have the challenge of something new to produce.

So the public is suffering economically because of this competition between the military industry people and the non-military. This is a world neighborhood. Yesterday somebody quoted to me so and so voted this way, this way, and this way.

A NEW WORLD

I said, wait a minute. Many people are finding today that because it is a new world you do not necessarily vote the way you did before.

I don't know how you voted on these particular recommendations in this appropriation when you had the same subject up before, but it is a new world, even since you last voted.

It is a new world in which we have to look at it anew to see new factors, to see how we are so tied together economically as a world. It is a very different world than the world in which President Reagan and I grew up, than the world in which you grew up.

You have to rethink your approaches, your voting.

In the old system we had the big stick of the military. This is a system of threatening the other fellow or the other country, whether it is between persons or countries.

It is a system of saying, now wait a minute. We will knock you down if you don't yield to what we say.

That is the threatening approach which results in war. If it should happen now, that would become what I call suicide or murdering the world.

I have written to the President and said, if you go on with this military build-up of the nuclear—not the other, but the nuclear—some day you will have to face your God as a murderer in this world; and I am saying it to you, and I am saying it to myself.

When we make these decisions concerning whether or not we are going to go on adding to this nuclear equipment, we are running the risk—all of us—not just you on the committee, but all of us as part of the world—of murdering our own world.

I come to you to bring to you the pleas of the millions of people around the world who, through me, are saying to you, "Give us a chance to live."

Mr. ADDABBO. Thank you very much, Ms. Anderson, for your in-depth analysis of the problem facing the Congress, the nation, and our President.

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WEDNESDAY, AUGUST 11, 1982.

UNIVERSITY OF MASSACHUSETTS PEACEMAKERS

WITNESS

DAVID A. SHAKESPEARE, REPRESENTING THE TRAPROCK PEACE CENTER AND WESTERN MASSACHUSETTS AMERICAN FRIENDS SERVICE COMMITTEE

Mr. ADDABBO. Our next witness is Mr. David Shakespeare, University of Massachusetts Peacemakers.

STATEMENT OF MR. SHAKESPEARE

Mr. SHAKESPEARE. Good morning.

I am very excited and honored to be here this morning, to say the least.

Along with my testimony, I will be submitting a series of questions which I don't have time to present now.

I would like the Department of Defense to answer these questions in the record.

I am from Amherst, Massachusetts. Amherst is in a county called Hampshire.

In the year 1980 Hampshire, Franklin and Berkshire Counties passed a referendum calling for a freeze on all further deployment, testing and production of nuclear weapons and delivery systems.

In the state of Massachusetts, 133 town meetings have passed this resolution, and also the Massachusetts House and Senate have endorsed it.

In western Massachusetts, over 300 groups have endorsed this freeze resolution. Among these 300, 50 religious groups, 61 town meetings, the City Councils of Northampton and Pittsfield, and the Northampton—excuse me, the Northampton, Adams, Amherst, and Irving Board of Selectmen.

The University of Massachusetts had a referendum question in the student government elections this past spring in which 78 percent of the student body supported the freeze resolution.

Also, the Amherst College, women's college, and Mount Holyoke College, have endorsed the freeze.

NUCLEAR FREEZE MOVEMENT

At this time the nuclear freeze movement is not supported—is not strongly supported by students. I would say basically it is a movement that is supported by people that are well established in their communities, doctors, lawyers, business people and I think the main reason for this is—there are, I would say, three main reasons.

The first is people are afraid of nuclear war; the second is that this nuclear freeze resolution is a means by which people, the common person, has a way of addressing their fears and hopefully stopping the arms race, and the third is that money which was previously available from any social services and for financial aid is now being reallocated to defense spending.

I believe as more and more money is taken from social services and put into defense spending, and into keeping up our national security, I believe we must ask ourselves what is national security and will these new weapons sytems which are being—for which money is being asked through this committee, will these new weapons sytems make us more or less secure?

MAJOR WEAPONS SYSTEM

Many of the weapons that are before you today for budget appropriations are first strike counter-force weapons. These weapons include the MX missile, the Trident II, the Pershing II, the Cruise missiles, and the attack submarines.

The policy under which the United States and presumably the Soviet Union is working under today in terms of nuclear war has changed within the last five to ten years. It used to be a policy of mutually assured destruction under which civilian populations were targeted, and now the new policy which was stated in the Presidential Directive 59 is one of first strike counterforce nuclear warfare.

Under this policy, specific military installations are targeted, and the idea is to attack the enemy military installations before those weapons can be fired.

This policy places the Soviets in a dangerous "I use them or lose them" situation.

In effect, it punishes either side for restraint in the use of their weapons.

If either side has a sufficient number of first strike weapons, the other side cannot afford to wait or even to hold anything in reserve once it thinks the war has started.

The key part in that last sentence is the word "thinks the war has started."

COMPUTER EARLY WARNING SYSTEMS

Between the years 1979 to 1981, there were 147 United States computer malfunctions which signalled a Soviet strategic attack; and in one instance, in 1979, there was a programming error which signalled a Soviet submarine launched attack and it took 6 minutes for the computer error to be determined.

The Soviets also have computer early warning systems. Their computers are also known to be slightly inferior to ours.

Specific examples of some of the weapons that are being proposed here and the precarious position they will place the world in, I believe, I chose the Poseidon and the Trident I missiles, the NAVSTAR GPS or global positioning system, and the Pershing II and cruise missiles.

NAVSTAR GPS ON MISSILES

NAVSTAR GPS consists of three rings of 18 satellites, each satellite placed in 12-hour geosynchronous orbit above the earth. Equipped with computers to receive the NAVSTAR signal, any commercial or defense-related user can determine its position on the earth to better than ten meters accuracy anywhere in the world at any time in all weather conditions.

If the NAVSTAR GPS is used as a guidance system for the Poseidon and Trident I missiles, they will become first strike nuclear weapons.

The proposed Trident II missile will have its own advanced inertial guidance system which would have no need to depend on the NAVSTAR GPS. Because of the shorter trajectory, submarine-launched missiles would take 10 to 15 minutes from launch to attack.

The 1,000 mile flight from a base in West Germany to Moscow or to a specific military installation would reportedly take the Pershing II missile six minutes. These short minutes would be the time in which the Soviet leadership would have to decide whether or not the attack was real or a computer malfunction and whether or not to retaliate with their nuclear force.

The proposed cruise missiles fly so close to the earth that it is virtually undetectable on Soviet radar. If these missiles and their Soviet counterpart first strike weapons are deployed, both world leaders will be pressured under times of intense international conflicts to use them or lose them.

FREEZE VERSUS REDUCTION RESOLUTIONS

At this point, I would like to just speak about the basic difference between the freeze resolution and President Reagan's reduction resolution on nuclear weapons.

Under the freeze resolution, it would stop any further deployment and testing and production of nuclear weapons.

Under President Reagan's proposals, there would be an initial reduction in nuclear weapons; however, these new first strike counterforce weapons which I spoke about would be produced under President Reagan's proposal and this would cause, I believe, a much tenser international atmosphere and a greater chance of nuclear war.

In conclusion, I would like to thank you again for letting me speak to you today.

I would like to say that I think the United States and the Soviet Union are now in a crucial period in world history. We have in the United States a popular based movement which cuts across all party lines, all ages and all races.

A movement and a resolution which calls upon the Soviet Union and the United States to mutually freeze the arms race now and to reduce the nuclear stockpiles thereafter.

I believe that people support this resolution because of the fear of nuclear war, and I believe the chances of a nuclear war either by accident or on purpose are significantly increased with this new generation of counterforce, first strike weapons.

I ask you as a citizen of the United States and as a human being, please stop this insanity.

Thank you.

Mr. ADDABBO. Thank you very much for your statement.

[The statement of Mr. Shakespeare follows:]

Testimony to the House Appropriations Committee on the Defense Procurement Bill

To be given August 11, 1982

Good Morning:

My name is David Shakespeare, I'm from Amherst, Massachusetts and I'm very excited and honored to have the opportunity to speak to you today. I am testifying in behalf of: The Traprock Peace Center Deerfield, Ma.
Western Mass. American Friends Service Committee Northampton, Ma.
See attached list of other endorsements.

Amherst is a town in Western Massachusetts in Hampshire County. In 1980 the counties of Hampshire, Franklin, and Berkshire became the first of many communities throughout the nation to vote on and pass a referendum question which calls for a freeze on all further deployment, testing and production of nuclear weapons and delivery systems. In the state of Massachusetts one hundred and thirty three Town Meetings have passed the Freeze Resolution. The Massachusetts House and Senate endorse it as does the Massachusetts Association of Teachers. Over 300 groups in Western Massachusetts have endorsed the nuclear freeze including: fifty religious organizations; the North Adams, Amherst, and Erving Board of Selectmen; 61 Town Meetings, the City Councils of Northampton and Pittsfield, Massachusetts. The Berkshire and Franklin County Medical Society endorse the Freeze. Several colleges and universities in Western Massachusetts endorsed the Freeze this past school year in referendum questions given during student government elections. At the University of Massachusetts in Amherst the Freeze won by 78% The students, faculty and staff of Mount Holyoke College, and Williams College have all endorsed the nuclear freeze proposal.

The Nuclear Freeze has not yet caught on as a popular student issue. The majority of support comes from parents, churches, doctors, lawyers and business-people. In other words people who are well established in their communities. I

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believe this next year will see more students, and people in general, rallying around the issue of the Nuclear Freeze, for the following reasons:

1) People are afraid of nuclear war;
2) The Freeze resolution is an opportunity for the common person to have a say in stopping the arms race;
3) money which was previously available for financial aid and social services is going into defense spending.

As more and more social services are cut in order to pay for increased defense expenditures and for our national security I believe we must ask ourselves: "Will we be more or less secure with the new weapons systems proposed?"

Many of the weapons and weapon systems which are before you today for budget appropriations are first strike, counterforce weapons. These include the MX missile, the Trident II, the Pershing II, cruise missiles, and attack submarines.

The danger of weapons, which both the United States and the Soviet Union are building, based on a first strike, counterforce policy are numerous. Under the policy of mutually assured destruction both superpowers were deterred from using their nuclear weapons because of the assured retaliation on their own country by the enemy. This policy was effective until within the last ten years. In the mid-1970's both the Soviets and the United States began developing nuclear delivery and guidance systems which are vastly superior in accuracy and speed to their predecessors. They are capable of flying thousands of miles and landing consistently within hundreds of feet of the target, destroying enemy weapons before they can be launched. Presidential Directive 59 officially changed the United States nuclear policy of mutually assured destruction, in which civilian populations were targeted to a policy of limited, counterforce nuclear warfare in which our missiles are targeted at specific Soviet military installations. This policy places the Soviets in a dangerous "use them or lose them" situation. In effect it punishes the enemy for restraint

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in the use of their weapons. If either side has a sufficient number of first strike weapons, the other side cannot afford to wait -- or even to hold anything in reserve -- once it thinks the war has started.

The key part in that last sentence is "once it thinks the war has started." From late 1979 to June 1981 there were 147 United States computer malfunctions which signalled a Soviet strategic attack. On November 9, 1979 a mistake caused by a programming error led to the signalling of a Soviet submarine launched attack. According to Pentagon sources, it took six minutes for United States command authorities to make a positive identification of the mistake. The Soviet Union also has computer run early warning systems. The Soviet computers are also known to be inferior to ours.

As specific examples of the precarious position some of our new nuclear weapon systems would pose I chose the Poseidon and Trident I missiles, the Navstar G.P.S. or global positioning system, and the Pershing II and cruise missiles. Navstar G.P.S. consists of three rings of eighteen satellites, each satellite placed in twelve hour, geo-synchronous orbit above the earth. Equipped with computers to receive the Navstar signal, any commercial or defense related user can reportedly determine its position on the earth to better than ten meters accuracy anywhere in the world, at any time, in all weather conditions. If the Navstar G.P.S. is used as a guidance system for the Poseidon and Trident I missiles they will become first strike nuclear weapons. The proposed Trident II missile will have its own advanced inertial guidance systems which would have no need to depend on Navstar G.P.S. Because of the shorter trajectory, submarines launched missiles would take ten to fifteen minutes from launch to attack. The 1000 mile flight from a base in West Germany to Moscow would reportedly take the Pershing II missile six minutes. These short minutes would be the time in which the Soviet leadership would have to decide whether or not the attack was real or a computer malfunction, and whether or not to

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retaliate with their nuclear force. The proposed cruise missiles fly so close to the earth that it is virtually undetectable on Soviet radar. If these missiles and their Soviet counterpart first strike weapons are deployed, both world leaders will be pressured under times of tense international conflicts to use them or lose them.

In conclusion I would like to thank you again for the opportunity to speak to you. I submit to you that the world and specifically the United States and the Soviet Union are entering a crucial point in history. We have in the United States a popular based movement which cuts across all party lines, all ages and all races. A movement and a resolution which calls upon the Soviet Union and the United States to mutually freeze the arms race now and to reduce the nuclear stockpiles thereafter. I believe that people support this resolution because of the fear of nuclear war -- and I believe the chances of a nuclear war either by accident or on purpose are significantly increased with this new generation of counterforce, first strike weapons. I ask you as a fellow citizen of the United States and as a human being, please stop this insanity. Thank you.

David Shakespeare
531 Main Street
Amherst, Massachusetts 01002

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Endorsements for Testimony to the House Appropriations Committee
on the Defense Procurement Bill

United Christian Foundation – University of Massachusetts/ Amherst

Rev. Paul Umberger Episcopal Diocese of Western Massachusetts

Social Justice Commission Episcopal Diocese of Western Massachusetts

Amherst Disarmament Coalition

University of Massachusetts Peacemakers / Five College Peacemakers

Student Government Association of the University of Massachusetts/ Amherst

Members United Electrical, Local 264
Xerox Copy Amherst Massachusetts.

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THE COURIER

A Publication of the Friends Council on Education

Winter 1962 Number 19

Thoughts on Survival

By Stephen A. Edgerton and Edward O. Shakespeare

THERE has been so much emotional agitation and lack of knowledge about the so-called bomb-shelter issue that the time seems appropriate for an appraisal of available facts and responsible opinions about nuclear weapons and shelters.

The following facts are drawn from the Scientists' Committee for Radiation Information, a New York group organized to gather and disseminate unbiased and scientifically accurate information on nuclear weapons and radiation. These facts are corroborated by a variety of articles appearing in such responsible publications as *The Bulletin of the Atomic Scientists* and the reports of the Atomic Energy Commission.

Our figures refer to the effects of a 50-megaton bomb exploded at 1,500 feet above the ground, a height similar to that at which the atomic bombs were exploded over Hiroshima and Nagasaki. The destruction effected by a 50-megaton bomb is estimated to be somewhat less than that effected by the more probable equivalent multiple detonations of smaller thermonuclear bombs.

The blast of a 50-megaton bomb would generate wind velocities of 150 miles per hour as far out as 14 miles from ground zero, and within that radius would smash most multiple-story buildings of unreinforced brick or comparable material. Eighteen miles out the wind velocity would be 110 mph, enough to topple wooden houses; and at a radius of 25 miles, doors would be ripped from their hinges and windows torn from their frames. As far as 55 miles out from ground zero, most window panes would be shattered by the blast.

The most obvious, more immediate effects of such an explosion, however, would be the creation of a fireball six miles in diameter. Up to a radius of 29 miles

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the intense heat from this fireball would ignite all exposed, flammable objects, including clothing. Beyond this and up to 43 miles from ground zero most flammable material, such as paper, dry leaves, and window shades, would be ignited, and all exposed people would suffer at least second-degree burns. In addition, anyone watching the fireball might suffer retinal burns that could result in permanent blindness.

More than 5,000 square miles would thus be included by the thermal effects of a 50-megaton bomb. Within this area it is estimated that more than a million fires would be started. The tremendous inrush of air created by these fires would force coalescence of individual fires into one immense torch, or firestorm, with a towering draft or "chimney" effect over ground zero. This firestorm would exhaust free oxygen and create carbon monoxide and carbon dioxide, gases that were responsible for the death of 70 per cent of the people who perished in the great firestorm of Hamburg during World War II.

Such a firestorm would reach maximum proportions within 20 to 40 minutes after the explosion and would subside within three to six hours.

The third effect of this thermonuclear explosion would be radiation. Fallout from the explosion would contain tons of radioactive debris, most of which would settle to the earth within two to three hours after the

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explosion. Ralph E. Lapp, an outstanding authority on the problem of radioactive fallout, states that one should realistically assume an average fall of two tons of radioactive debris per square mile within the elliptical 6,000-square-mile area in which the heaviest fallout occurs downwind of the explosion. The *average* level of radioactivity one hour after detonation would be 4,000 roentgens (r.) per hour. (A single exposure of the entire body to 450 r. is considered lethal to half a population receiving such a dose.) By the end of eight hours the average level will have fallen to 400 r. per hour, and by the end of 50 hours after the explosion it will have fallen to 40 r. per hour. These figures on fallout apply, however, to smaller bombs than a 50-megaton bomb. Moreover, a controversy between Ralph Lapp and Willard F. Libby may result in a general upward revision of all figures on radiation from fallout.

The effects of radiation can be divided into two categories: somatic and genetic. The somatic effects appear in people exposed to radiation. These effects may range from reddened skin, mild nausea, and falling hair to leukemia, miscarriages, and death. Genetic effects, however, do not appear until future generations; but since human beings are not subjected to genetic experimentation, there is no way of knowing how many generations must pass before the genetic effects of unusual radiation

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Stephen A. Edgerton teaches science, and Edward O. Shakespeare teaches English. Both are teachers at William Penn Charter School, Philadelphia.

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can be detected. Geneticists agree, however, that any exposure of the reproductive cells to radiation produces changes in the genes, or heredity-bearing chemicals, of these cells. Nearly all such changes, or mutations, will eventually result in physical or mental abnormalities among individuals in future generations.

Beyond these effects of a thermonuclear explosion, which have been extrapolated from available evidence, there are physical effects that are more difficult to assay. How effectively, for instance, can relief be brought to survivors in a large area in which facilities for transportation, utilities, food distribution, and medical treatment have been severely damaged or completely destroyed? Those who would dismiss such a question might be asked to recall the Coconut Grove fire in Boston during World War II. All available medical facilities were sorely taxed in providing aid to the 500 casualties of this one disaster. So far the public has no access to information dealing with this overwhelming problem.

We believe that studies of thermonuclear warfare and of shelter programs cannot be complete without realistic consideration of their disruptive influence on our physical and emotional pattern of existence. In the realm of emotions we have little scientifically tested information on which to base any definite statements, but there are tentative assumptions that should be discussed.

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Our government has announced publicly that civilian defense is part of our program of deterrence. In line with this policy we have been building "hardened" missile-launching sites, and we are now initiating a nationwide community bomb-shelter program. One may well ask, however, whether this course will be interpreted as a deterrence or as a provocation. J. David Singer in *The Bulletin of the Atomic Scientists*, October, 1961, states quite clearly that a full-scale shelter program might convince the U.S.S.R. that we are committed to nuclear warfare and that to win such a war we must strike the first blow rather than wait to retaliate. Such an assumption might lead the U.S.S.R. to strike first.

If this is too extravagant an assumption, we can at least agree that our present concern with shelter programs has contributed to world tensions, and that any increase in world tensions accelerates the arms race and increases the chance of a nuclear "accident."

This problem leads us to other problems. What is the fear of nuclear warfare doing to us psychologically, and what may a shelter program do to us psychologically? Here we must indulge in conjecture. Our best guide to what fear is doing to us is the symptomatic behavior of people who attend local civil defense meetings. Many of these people express willingness to spend thousands of dollars from their own savings to construct private

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shelters. They favor reducing expenditures on long-range foreign-aid programs and other projects equally expensive and equally nebulous so far as immediate results are concerned. And they favor increased expenditures on military preparedness and civil defense. This withdrawal from international commitments is matched by a withdrawal from personal commitments. Some of these people, fearful of the drain upon their supplies if they were to share their shelters with neighbors, talk openly, even defiantly, of using firearms to keep out their neighbors.

Such a turning inward is self-defeating, according to Margaret Mead in an article in *The New York Times Magazine*, November 26, 1961. In this article Miss Mead states that "only by helping one another will there be any hope of survival."

A national shelter program will have effects upon us that we can only guess at. Veterans of past wars have often spoken of the feeling of security provided by fox holes and slit trenches. This comfort was realistic for past wars, but we doubt that a similar realistic feeling of security can be provided by anything but the most elaborate and expensive shelters under present circumstances. We think, rather, that a feeling of security today would be not only false but a public acknowledgment that we have chosen nuclear warfare as the only solution

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to our international problems. This impression might well be the one fatal obstacle to alternative solutions.

There is a note of hope, however, in all this discussion of survival. Margaret Mead, in the article referred to earlier, says that though many of us are wasting our efforts in a symptomatic response to a shelter program, increasing numbers of us are realistically examining the ramifications of nuclear war. If this statement is so, then we are beginning to move once again in the direction of a responsible, democratic society. In a democratic society the people can make intelligent decisions only when they have been fully and accurately informed.

We hope that this article may have brought to light some information and stirred some thoughts that will contribute to more informed decisions. With adequate knowledge we may yet turn mankind away from the nightmare state envisioned by Charles Beard, in which we accept as rational the conception of waging perpetual war to achieve perpetual peace.

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TESTIMONY

PRESENTED TO THE DEFENSE SUBCOMMITTEE, HOUSE APPROPRIATIONS COMMITTEE ON THE FY83 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL

Thank you for the opportunity to submit testimony to the Subcommittee.

The main point we wish to make is this: the defense appropriations you have been asked to approve may not bring our nation more security. Indeed, these funds may make the United States less secure.

These are new types of strategic weapons - capable of destroying Soviet weapons rather than cities. These particular weapons may "destabilize" the arms race and lead us into nuclear war. We shall mention six examples of counterforce weapons systems which threaten to upset the strategic balance:

A. Navstar
B. Trident II
C. Attack submarines
D. MX
E. Pershing II
F. ECF

As a general introduction to counterforce weapons we include an excerpt from a Congressional Budget Office study.

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A., B., NAVSTAR and TRIDENT II

A submarine-based missile force of the present (Trident I) accuracy provides the U.S. unambiguously with the ability to retaliate against Soviet cities or industrial targets after a Soviet first strike. Funds are now requested for a more accurate submarine - launched missile, Trident II.

Other funds are requested, for a satellite system, "Navstar," which will markedly increase the accuracy of U.S. submarine-launched Trident II missiles.

The Soviet Union can reasonably, if pessimistically, assume that the warheads on a Trident II missile could be delivered with 750' CEP, without fratricide, with 85% reliability, with zero bias, and that the Soviet silos have a hardness of 2500 psi. With these assumptions, the probability of two Trident II warheads killing one Soviet ICBM silo is 68%, compared to only 13% for Trident I. Navstar will still further increase the threat to Soviet ICBMs.

1. Does not t he projected deployment of 2 or 3 thousand warheads in Trident II missiles increase the first-strike capability of the U.S. against Soviet land-based ICBMs?

2. What is the rationale for increasing the accuracy of missiles launched from submarines?

3. Since roughly three-quarters of Soviet warheads are based in land-based ICBMs (as contrasted with only about one quarter of U.S. warheads based in land-based ICBMs), will not the increased threat posed by Navstar and Trident II to their missiles force

the Soviets to build more ICBMs, or to switch to mobile ICBMs (which are difficult for us to count), or to adopt launch on warning?

4. Faced with the deployment of both MX and Trident II missiles, together with the threat posed to deployed Soviet SSBNs by U.S. attack submarines, wouldn't the Soviet Union have more reason than at present to consider adopting a launch-on-warning policy in order to safeguard its land-based deterrent?

5. Given the inherently limited reliability of any missile-attack warning system, and the fact that U.S. submarine-launched ballistic missiles (SLBMs) could take as little as 10-15 minutes to reach the Soviet Union, wouldn't a Soviet launch on warning policy make crises in U.S.-Soviet relations more dangerous than at present?

C. ATTACK SUBMARINES ("SSN")

Part of our deterrent force, and of the Soviets' deterrent, are missiles carried in submarines. These missiles are threatened by "attack" submarines (SSN class submarines) designed to destroy the missile-carrying submarines.

1. Is not each side's submarine-based retaliatory capability threatened by the other side's attack submarines?

2. Since over 85% of the Soviet SSBN force is usually in port without shelter and therefore extremely vulnerable to pre-emptive nuclear attack by ICBMs or SLBMs, isn't it particularly important for the U.S. to exercise restraint in the level of attack submarine deployment, and hence in the U.S. ability to

destroy Soviet missile-carrying submarines?

3. The United States already has more than 100 attack submarines. This is roughly ten times the number of missile-carrying submarines the Soviets normally have at sea. As seen through Soviet eyes do we not already have enough attack submarines to threaten seriously their missile-carrying submarines? (The question recognizes that some of our attack submarines are used to protect U.S. surface ships, or to form barriers in the Sea of Japan or the gap between Greenland and Iceland, but the Soviets must consider that u.S. attack submarines can be diverted from these duties to trailing and threatening their missile-carrying submarines).

D. MX

1. Aviation Week gives the Circular Error Probable (CEP) with which the MX could deliver Mk12-A warheads as 300'. Is this accuracy not considerably greater than that of a Minuteman III missile?

2. It is reasonable to assume that the MX could deliver Mk12-A warheads without fratricide, with 85% reliability, and with a systematic bias error of 300'. This would give a kill probability of over 87%, for even a silo as hard as 5000 psi, if one silo was attacked by 2 warheads. Why is a missile with the hard-target-kill capability of MX needed, in the numbers projected?

3. What is the rationale for producing the MX, which is capable of destroying Soviet land-based missiles in their silos, given the fact that any Soviet ICBMs not used in a Soviet first

strike could be launched as soon as a U.S. retaliatory strike was detected?

4. Doesn't a U.S. submarine-based missile of the present size and accuracy already provide the U.S. with the unambiguous ability to retaliate against Soviet cities or industrial targets, in the event of a Soviet first strike?

5. Couldn't the Soviet Union construe the deployment of MX missiles as a step towards a U.S. capability to strike first and prevent the Soviet Union from being able to cause comparable amounts of damage in retaliation?

6. Given the limits to the reliability of any missile-attack warning system, isn't it extremely undesirable to deploy the MX, since the MX decreases the survivability of the Soviet nuclear deterrent and increases the motivation for the Soviet Union to adopt a launch-on-warning policy?

B. PERSHING II

Funds are requested for the Pershing II, a highly accurate land-based missile. The flight time of this missile from proposed bases in Europe to some soviet missile silos and command centers is under 10 minutes - far shorter than the flight time for a Soviet missile to hit any existing U.S. missile. As seen through Soviet eyes, the deployment of the Pershing II in Europe will threaten some of their missiles and command centers.

Why is the availability of the Pershing II to wage tactical war in Europe worth the destabilizing impact of deploying 108 Pershing II missiles capable of destroying Soviet command centers

and missiles in a first strike?

F. ELF

ELF is an antenna which can transmit orders, at extra low frequencies, to both attack submarines and missile-carrying submarines. If the Soviets struck first, ELF would presumably be one of the first targets destroyed; ELF would no longer be available to instruct U.S. missile-carrying submarines to retaliate.

But ELF does have a function if the U.S. strikes first: it could instruct U.S. attack submarines to destroy Soviet missile-carrying submarines. The Soviets rely on these submarines to deter a U.S. attack.

How can the Soviets perceive ELF to have any use other than U.S. first strike capability, since it almost certainly would not survive a Soviet first strike?

It can be argued that ELF has a second strike function if it constantly transmits a signal to U.S. submarines. The abrupt loss of this signal could be interpreted by U.S. submarines as a signal that ELF had been destroyed; the loss of transmission would thus be the signal to attack the Soviet Union. But the transmitter could also stop if its electric power supply accidentally failed. Under this scenario might an accidental loss of power to the transmitter result in a loss of signal to the submarines, and thus an accidental attack on the Soviet Union?

From: "Counterforce Issues for U.S. Strategic Nuclear Forces," Congressional Budget Office, Jan. 1978.

CHAPTER IV. U.S. COUNTERFORCE CAPABILITY

DETERRENCE AND STRATEGIC STABILITY

It is often suggested that the proper response to the growing Soviet counterforce threat is the development of a significant U.S. counterforce capability. The reasoning is that, even though U.S. forces surviving a Soviet first strike would probably be large enough to destroy Soviet cities, the United States would have few credible responses to a counterforce attack, since retaliation against Soviet cities would surely be returned in kind. Unless U.S. forces were capable of retaliation against the Soviet nuclear arsenal, the Soviet Union might be tempted to attack U.S. strategic forces, and especially the ICBM part of that force, in order to reduce U.S. options or shift the balance of strategic power against the United States. Such an attack might be particularly tempting if the United States had no way to respond in kind and if the Soviet leadership could convince themselves that U.S. leaders would never carry out the threat to destroy Soviet cities as long as U.S. cities remained intact. On the other hand, if a U.S. counterstrike against Soviet strategic forces could succeed in drawing down the Soviet arsenal to a level approximating that of the surviving U.S. force, then no advantage could be gained from a Soviet first strike against the United States. Thus, in an era of growing Soviet counterforce capability, deterrence may depend on U.S. acquisition of a second-strike counterforce capability. In recent years official Defense Department statements have hinted at a growing acceptance of such a second-strike counterforce doctrine.

> No opponent should think that he could fire at some of our Minuteman or SAC bases without being subjected to, at the very least, a response in kind. No opponent should believe that he could attack other U.S. targets of military or economic value without finding similar or appropriate targets in his own homeland under attack. No opponent should believe that he could blackmail our allies without risking his very capability for blackmail. 1/

1/ James R. Schlesinger, Annual Defense Department Report, FY 1976 and FY 1977, pp. II-4 and II-5.

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An even more direct statement of a second-strike counterforce doctrine was made in 1976 in hearings before the Senate Armed Services Committee:

> In attempting to retaliate for an attempted disarming first strike, one possibility, of course, is that of wiping out the Soviet Union. However, I think that a better way of responding is to wipe out what forces he holds back--his remaining blackmail capability--and, hence leave him in a position where he is worse off having executed the strike than not having executed it. If he is worse off doing it, he is not likely to do it. 2/

Several objections have been raised to the development of U.S. counterforce capability. Perhaps the most serious problem with U.S. forces designed for second-strike counterforce stems from the possibility that they would be seen as first-strike weapons, and thus be destabilizing. Two types of nuclear stability might be threatened by the development of U.S. counterforce capability: crisis stability and arms control stability. The first kind involves the incentives to strike first that each side would face in an international crisis. There may be an inescapable dilemma involved in the procurement of second-strike counterforce capability: a U.S. arsenal large enough to attack Soviet ICBMs after having absorbed a Soviet first strike would be large enough to threaten the Soviet ICBM force in a U.S. first strike. Moreover, the Soviet Union, looking at capabilities rather than intentions, might see a U.S. second-strike capability in this light. Faced with a threat to their ICBM force, Soviet leaders facing an international crisis might have an incentive to use their missiles in a preemptive strike before they could be destroyed by the United States. The Soviets might well be far more sensitive to a threat to the survivability of their ICBMs than the United States. The Soviets place far more emphasis on their ICBM force than does the United States, since the submarine and bomber segments of their nuclear arsenal are significantly less capable than those of the United States. Only 11 percent of

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2/ Statement of John B. Walsh, Deputy Director, Strategic and Space Systems, Office of the Director of Defense Research and Engineering, in Department of Defense Authorization, Fiscal Year 1977, Hearings before the Senate Armed Services Committee, 94:2 (1976), Part 11, p. 5930.

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the Soviet submarine force is at sea at any one time, leaving the rest vulnerable to surprise attack. 3/ Furthermore, in light of the sophisticated nature of U.S. antisubmarine warfare capabilities and the fact that Soviet submarines are considered to be far noisier than their U.S. counterparts, even Soviet submarines at sea may be vulnerable, although longer-range Soviet SLBMs have reduced this vulnerability. In any event, the destructive power of at-sea Soviet SLBMs is limited because of the primitive nature of Soviet sea-based MIRV capability. Soviet bombers are also much smaller in number and in capability than their American counterparts (see Table 1).

Table 4 presents the expected outcome of three hypothetical U.S. first strikes against the Soviet ICBM force shown in Table 1. Several important implications can be drawn from these results. First, the counterforce capability of Minuteman III missiles against Soviet ICBMs seems to be comparable to the threat posed by the current generation of Soviet missiles to U.S. ICBMs; both sides would be able to destroy about 40 to 60 percent of the other's silo-based ICBMs. Specifically, 550 Minuteman III missiles with improved accuracy, each carrying three warheads, would be expected to destroy about 43 percent of the Soviet ICBM force. If the more accurate, more powerful MK-12A warhead were deployed on all 550 Minuteman III missiles, the United States could destroy about 64 percent of the Soviet land-based missile force in a first strike.

Second, the U.S. MX missile, with its reported ability to carry ten MK-12A warheads to within 400 feet of their targets, 4/ potentially could destroy about 92 percent of the Soviet Union's ICBMs, leaving about 100 missiles, 600 warheads, and 500 equivalent megatons in the Soviet land-based missile force. For comparison, only about 40 percent of Soviet ICBMs could be destroyed by a force of 550 Minuteman III missiles with improved accuracy. This result, when combined with consideration of the qualitative inferiority of the Soviet submarine force and the small size of the bomber force, indicates that deployment of a large number of MX missiles could pose a significant first-strike threat to the Soviet Union.

3/ General George S. Brown, United States Military Posture for FY 1978, p. 14.

4/ See "MX Deployment Urged for Parity," Aviation Week and Space Technology, December 5, 1977, p. 14.

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TABLE 4. SOVIET ICBMs SURVIVING A U.S. FIRST STRIKE

U.S. Weapons Used in First Strike	Percent	Missiles	Warheads	Equivalent Megatons
550 Minuteman III	57	791	3,652	2,984
550 Minuteman III with MK-12A	30	508	2,542	2,124
300 MX	8	108	603	523

NOTE: Assumes U.S. programs two groundbursts per target if enough warheads are available. See Table 1 for pre-attack Soviet ICBM force. Soviet modernized silos assumed to be hardened to 2,000 pounds per square inch; 550 pounds per square inch for older SS-11s. MX assumed to carry ten 350-kiloton warheads with CEP of 400 feet and reliability of 0.85. See Table 2 for Minuteman III and MK-12A estimates.

Many opponents of U.S. counterforce capabilities believe that weapons threatening to the Soviet ICBM force would be extremely dangerous in a crisis. They argue that the Soviets would then have an incentive to strike first, since allowing the United States to fire first would result in the loss of a large portion of the Soviet force. Thus, paradoxically, a U.S. attempt to match Soviet counterforce potential might serve to increase, rather than reduce, the possibility of a Soviet attack. These critics also maintain that threats to the Soviet strategic deterrent would compel the Soviet Union to build new weapons to compensate for the vulnerability of their silo-based ICBMs. This Soviet reaction might bring with it not only renewed hostility, but also new weapons threatening to U.S. national security.

Others believe that improved U.S. counterforce capability is unnecessary. Even without the development of an expensive capability to destroy Soviet ICBMs, the United States would have several credible response options short of retaliation against Soviet cities in the event of a Soviet counterforce attack. One possibility would be to retaliate against Soviet conventional military forces. Alternatively, the United States could choose to attack other Soviet nuclear forces, such as submarine ports, bomber bases, and command and control facilities.

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Trident II: Questions on the need for missiles capable of delivering warheads as accurately as Trident II.

1. The Soviet Union can reasonably, if pessimistically, assume that the warheads on a Trident II missile could be delivered with 750' CEP, without fratricide, with 85% reliability and with zero bias, and that the Soviet silos have a hardness of 2500 psi. With these assumptions, the silo kill probability if two warheads are targeted on one silo is 68%, compared to only 13% for Trident I. Doesn't the projected deployment of 2 or 3 thousand warheads in Trident II missiles increase the first-strike capability of the U.S. against Soviet ICBMs?

2. A submarine-based missile force of the present accuracy provides the U.S. unambiguously with the ability to retaliate against Soviet cities, military, or industrial targets after a Soviet first strike. Isn't the rationale for a second-strike, or retaliatory, hard-target-kill capability weak, given both the ambiguity of counterforce capability and the fact that remaining Soviet ICBMs could be launched as soon as a retaliatory strike was detected?

3. The first generation of Trident II missiles carry inertial guidance systems. Is it true that a second generation of Trident II missiles incorporating either guidance from the projected Navstar system or a stellar inertial guidance system could deliver the same warheads with a still smaller CEP?

4. Faced with the deployment of both MX and Trident II missiles, together with the threat posed to deployed Soviet SSBNs by U.S. attack submarines, wouldn't the Soviet Union have more reason than at present to consider adopting a launch-on-warning policy in order to safeguard its land-based deterrent?

5. Given the inherently limited reliability of any missile-attack warning system, and the fact that U.S. submarine-launched ballistic missiles (SLBMs)

could take as little as 10-15 minutes to reach the Soviet Union, wouldn't a Soviet launch on warning policy make crises in U.S.-Soviet relations more dangerous than at present?

Information

1. Senate Committee on Armed Services: Hearings on S. 2294 (procurement and RDTE appropriations), April 1980.

2. Herbert Scoville, Jr. MX: Prescription for Disaster, Ch. 13. Excellent reasoning on destabilizing impact of counterforce capability, although I think p. 140 overstates the likelihood of Soviet retaliation against cities: it could do plenty without that.

3. Edward Anderson in Bulletin of the Atomic Scientists (November 1981), an explanation of how to calculate silo kill probabilities.

4. Congressional Budget Office: Counterforce Issues for the U.S. Strategic Nuclear Forces (January 1978), pp. 16-18, 31-37.

N.B. a. Soviet Union ICBMs now mostly have CEP of less than 1200'.

b. Soviet Union now has 989 SLBMs, carrying about 1900 warheads, according to IISS (International Institute for Strategic Studies), with warhead CEPs 1800' - 6000'.

SSNs (Nuclear powered attack submarines): Questions on the projected uses of new SSNs.

1. How is the U.S. SSN budget for FY1983 broken down between, on the one hand, submarines for local measures such as protecting convoys and accompanying carrier battle groups, and on the other hand submarines for barrier and area search operations and forward operations?

2. The total number of SSNs stated as necessary in the FY83 budget was 110. How would this force be broken down numerically amongst the same categories?

3. Since the main platforms from which to attack the deployed portion of the Soviet nuclear ballistic missile submarine (SSBN) force would be SSNs, doesn't the size and capability of the U.S. SSN force have a great influence on at least the Soviet perception of the vulnerability of their deployed SSBNs?

4. Is "forward operations" the only category of SSN to be understood as connected with attacking Soviet SSBNs?

5. Joel Wit in Scientific American of February 1981 points out that the SSN capabilities required for barrier and area search roles overlap with those required for an anti-SSBN role. Couldn't U.S. SSNs forming barriers in the Greenland/Iceland gap or in the Sea of Japan, for example, therefore be released to increase the number performing forward operations against Soviet SSBNs?

6. A force of 10 SSNs on line, requiring 20 altogether, would provide the

U.S. with a one-to-one capability against the number of Soviet SSBNs customarily deployed. The present U.S. SSN force numbers more than 100. How can such a force possibly be unambiguously deployed as not intended for attacking Soviet SSBNs?

7. Isn't the stability of agreements to limit the numbers of land-based ICBMs jeopardized to the extent that the U.S. has the ability to destroy the Soviet SSBN force?

8. Since over 85% of the Soviet SSBN force is usually in port without shelter and therefore extremely vulnerable to pre-emptive nuclear attack by ICBMs or SLBMs, isn't it particularly important for the U.S. to exercise restraint in the level of SSN deployment, and hence in the U.S. ability to destroy also the deployed part of the Soviet SSBN force?

9. The U.S. plans to deploy MX and Trident II missiles, as well as more SSNs. Isn't the U.S. increasing rather than decreasing its ability to launch a counterforce first strike that would prevent the Soviet Union from being able to retaliate flexibly; that is, to be able to retaliate without going against cities and yet keep enough warheads to threaten cities subsequently?

10. Wouldn't the Soviet Union be more likely to adopt a launch on warning policy if it perceived its ability to retaliate to be threatened by the U.S. first strike capability? Wouldn't this make U.S.–Soviet relations more dangerous than at present?

Notes for SSN questions

1. Question 6. Posture Statement of FY82 gave 101 as the number of SSNs. Some of these are old (e.g. the converted SSBNs), but doubtless they will be replaced.

ii. Question 9. Two MX or Trident II warheads per land-based silo, bomber-base, or submarine-port gives a very high probability (over 90%) of "target-kill" if pessimistic assumptions (from the Soviet point of view) are made. "Second generation" missiles incorporating still more sophisticated guidance could boost that probability to over 99%. So the Soviet Union is certainly being driven into a hole. Even if a U.S. first strike capability is still a long way in the future, any (anticipatory) move to a launch on warning policy would make things even more dangerous than at present.

Reading

a. Herbert Scoville, Jr. in MX: Prescription for Disaster (MIT Press, 1981) from Ch. 8.

b. Scientific American readings:

-- one from Arms Control volume.

-- one from February 1981 issue.

Mr. EDWARDS. Mr. Chairman.

Mr. ADDABBO. Mr. Edwards.

Mr. EDWARDS. Do you have a copy of your resolution or referendum?

Mr. SHAKESPEARE. No, I don't.

Mr. EDWARDS. Would you send it in for the record so we can make it part of the record?

We have all kinds of referenda and resolutions around on the question of the nuclear freeze.

Mr. SHAKESPEARE. This would be the Kennedy-Hatfield proposal.

Mr. EDWARDS. I understand that. I think it would be helpful for us to have it in the record.

Mr. SHAKESPEARE. Okay.

[CLERK'S NOTE: The information was not provided in time to be printed in this hearing record.]

Mr. ADDABBO. The young lady said she had a copy.

Mr. SHAKESPEARE. Do you have any questions?

Mr. ADDABBO. No questions at this time.

Mr. Dicks, any questions?

Mr. DICKS. No questions, Mr. Chairman.

Mr. ADDABBO. Thank you very much.

I must now go to a markup that is going on in the Treasury-Post Office Subcommittee. Your statements will all be carefully reviewed by myself and the members of the staff and other members of the committee.

We deeply appreciate your attendance and testimony before the committee.

At this time the Chair appoints Mr. Dicks of Washington as the acting Chairman of the Subcommittee.

WEDNESDAY, AUGUST 11, 1982.

U.S. NUCLEAR ARMS POLICY

WITNESSES

THOMAS WESSON, SR., M.D., EYE PHYSICIAN, TUPELO, MISS.

Mr. DICKS [presiding]. Our next witness is Thomas W. Wesson.

STATEMENT OF DR. WESSON

Dr. WESSON. Thank you, Mr. Chairman.

Mr. Chairman, members of the subcommittee, staff, I want to thank you very much for the opportunity to submit testimony.

I agree you folks are doing the right thing in hearing from different people in different parts of the country on this. Believe it or not, I never saw this man ahead of me, his testimony, until just now, but we are correlated and we are a long way apart.

He is in Massachusetts, I am in Mississippi. I am Tom Wesson, Sr., an eye physician in practice for the past 30 years in Tupelo, Mississippi.

Although I belong to several anti-nuclear organizations, I come before you today not as a representative of any of them, but only as an individual who has become alarmed at the policy that we seem to be following in regard to nuclear arms.

FIRST-STRIKE COUNTERFORCE WEAPONS

First, I would like to discuss the dangers involved in a build-up of the so-called first-strike counterforce weapons and then mention two of the systems, NAVSTAR and the MX systems.

We have to distinguish clearly the concepts of conventional wars, before 1945, as distinguished from the concepts or rather the facts concerning war in an age when intercontinental ballistic missiles carrying hydrogen bombs can be launched through space for 6,000 miles, or really to any spot on the earth.

Conventional wars have been won by the countries having the largest armies, the best artillery, the best planes, and so forth. Numerical superiority played a large part in the final result.

The rules of conventional war do not hold when thermonuclear bombs of tremendous power are launched in ballistic missiles and when each opposing country has the power to annihilate the other.

The tremendous power of these weapons has been recently shown in a short film, "The Last Epidemic" which many members of Congress have seen, or have had the opportunity to see.

Mr. Dicks, have some of your staff seen that when it was shown a while back?

Mr. DICKS. No, I missed it.

UNITED STATES-U.S.S.R. STRATEGIC MISSILE STRENGTH

Dr. WESSON. I believe that currently the U.S. and the Soviet Union are roughly equal in their strategic missile strength. It is

generally agreed that the U.S. could sustain a Russian first-strike and retaliate adequately with its submarine-launched missiles. In similar fashion, the U.S.S.R. could absorb a first-strike from the U.S. and yet still have adequate megatonnage to destroy us as a modern nation.

It is this knowledge that neither side has the power to annihilate an opponent in the first strike that gives us our present sense of stability. I believe firmly that as we build more and more first strike counterforce weapons that we contribute to instability between us and the U.S.S.R.

We need to define here what we mean by a counterforce strike. This is against an opponent's missile silos and other weapons launchers. If one side has enough first-strike weapons to destroy an overwhelming percentage of the oposing nuclear forces, then it is said to have crossed the first-strike counterforce threshold.

What happens if we build up enough counterforce weapons to be able to launch an effective first strike? During the period of our buildup, the U.S.S.R. will respond by also building up first strike weapons, and, more importantly, may think it necessary to put its ICBM's on a launch-on-warning status. By launching from their silos on computer command they hope to escape the incoming first-strike weapons.

This means a very unstable condition where it will be necessary for Soviet leaders in command to decide in 10–15 minutes whether or not the computer signals are false. It is easy to imagine an "accidental" nuclear exchange under these circumstances.

I have several automatic smoke alarms in my home, just as most of you do. In the middle of last winter, as I stoked my fireplace stove, enough smoke got out to set off this noisy apparatus.

There was no problem here. I knew where the smoke came from and that it was a false alarm and simply shut it off. It is not nearly so simple shutting off a computer alarm which indicates incoming enemy missiles. Our computers are not perfect and do occasionally give off false alarms.

The Russians are probably troubled in the ame way. I think we should consider very seriously the matter of building up our first-strike weapons and thus forcing the U.S.S.R. to go on a hair-trigger launch-on-warning alarm.

NAVSTAR

And now a word about NAVSTAR. Submarine-launched missiles have been considered too small and inaccurate to achieve effective first-strike capability. They are capable of causing immense damage to cities and industry, and therefore have been viewed principally as defensive or second-strike forces. The U.S.S.R. has not feared them as first strike weapons.

This will no longer be true if the submarine-launched missiles are guided by NAVSTAR. NAVSTAR is the Global Positioning system, a technological advance that is hard to imagine. It is hard for me to imagine anyway.

NAVSTAR GPS consists of three rings of 18 satellites, each satellite placed in 12 hour geosynchronous orbit above the earth. Each satellite, positioned thousands of miles out in space, will be equipped with highly accurate clocks and computers.

On reception of the NAVSTAR signal, any user of the system, such as a Trident missile, will be given its position on the earth within ten meters accuracy at any hour of the day or night and will also be given its velocity.

This will allow the Trident to be guided very accurately to a Russian missile silo. Since approximately one half of our strategic warheads are carried in submarines, a system such as NAVSTAR that converts them from defensive or second-strike weapons to offensive or first-strike weapons is sure to cause geat alarm among U.S.S.R. defense planners, forcing them to go on a launch-on-warning status.

MX MISSILE

And now a word about the MX missile. We read in the Congressional Budget Office background paper for January 1978 that the planned MX missile system combines massive throw weight with an unmatched inertial guidance system.

That is a new one we have developed, of course.

Each of the proposed MXs can carry ten MK 12A warheads having significantly higher reliability and readiness rates than Soviet missiles.

These warheads, if launched in a first strike attack by the United States, could alone destroy a large fraction of the Soviet Union's ICBMs.

The question is, faced with this type of threat to their ICBMs, does anyone doubt that Soviet planners will go on a permanent hair-trigger type launch-on-warning basis?

Will we be safer from accidental war under these circumstances or will we be safer as at present where neither side is on a launch-on-warning basis?

In summary, my testimony is to the effect that the best way to contribute to the nuclear instability between the U.S. and the U.S.S.R. is to build more first strike weapons such as NAVSTAR and the MX missile.

I hope that the House will go slow on the funding of these weapon systems.

FIRST STRIKE SYSTEMS

The same arguments hold in regard to other first strike systems which I have not had time to mention, namely the Trident II missile, the Pershing Missile, and nuclear attack submarines. I would like to urge you not to appropriate more funds for these first-strike weapons because they will make us less secure rather than more secure.

One other thing—I believe I have time for this—Mr. Chairman, in addition to what I have read, I am including in addition to my testimony a list of questions on counterforce weapons systems prepared by Sheena Phillips, Program in Science and Technology for International Security, M.I.T., and by Newell Mack, Jefferson Laboratory, Harvard University.

We ask of you, Mr. Chairman, that you submit these questions to the Department of Defense and that the answers to these questions be included in the record.

[The statement of Dr. Wesson follows:]

TESTIMONY

PRESENTED TO THE DEFENSE SUBCOMMITTEE, HOUSE APPROPRIATIONS
COMMITTEE ON THE FY83 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL

Chairman Addabbo and members of the Subcommittee: Thank you for the opportunity to submit testimony to the subcommittee.

I am Tom Wesson, Sr., an eye physician in practice for the past 30 years in Tupelo, Miss. Although I belong to several anti-nuclear organizations, I come before you today not as a representative of any of them, but only as an individual who has become alarmed at the policy that we seem to be following in regard to nuclear arms.

First, I would like to discuss the dangers involved in a build-up of the so-called first-strike counterforce weapons and then mention two of the systems, NAVSTAR and the MX systems.

We have to distinguish clearly the concepts of conventional wars, before 1945, as distinguished from the concepts or rather the facts concerning war in an age when intercontinental ballistic missiles carrying hydrogen bombs can be launched through space for 6000 miles, or really to any spot on the earth.

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What happens if we build up enough counterforce weapons to be able to launch an effective first-strike? During the period of our buildup, the U.S.S.R. will respond by also building up first-strike weapons, and, more importantly, may think it necessary to put its ICBM's on a launch-on-warning status. By launching from their silos on computer command they hope to escape the incoming first-strike weapons. This means a very unstable condition where it will be necessary for Soviet leaders in command to decide in 10-15 minutes whether or not the computer signals are false. It is easy to imagine an "accidental" nuclear exchange under these circumstances.

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sidered too small and inaccurate to achieve effective first-strike capability. They are capable of causing immense damage to cities and industry, and therefore have been viewed principally as defensive or second-strike forces. The U.S.S.R. has not feared them as first-strike weapons.

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Faced with this type of threat to their ICBM's does anyone doubt that Soviet planners will go on a permanent hair-trigger type launch-on-warning basis? Will we be safer from accidental war under these circumstances or will we be safer as at

present where neither side is on a "launch-on-warning" basis?

In summary my testimony is to the effect that the best way to contribute to the nuclear instability between the U.S. and the U.S.S.R. is to build more first-strike weapons such as NAVSTAR and the MX missile. I hope that the House will go slow on the funding of these weapon systems. The same arguments hold in regard to other first-strike systems which I have not had time to mention, namely the Trident II missile, the Pershing Missile, and nuclear attack submarines. I would like to urge you not to appropriate more funds for these first-strike weapons because they will make us less secure rather than more secure.

This testimony is supported by the following dentists and doctors from the Tupelo area:

Matthew B. Wesson, M.D.

Frank C. Baker, D.D.S.

Thomas W. Wesson, Jr., M.D.

Jessie R. Taylor, M.D.

Thomas J. McDonald, M.D.

Antone W. Tannehill, Jr., M.D.

Mr. Chairman, in addition to what I have read, I am including an addition to my testimony, which is a list of questions on counterforce weapon systems, prepared by Sheena Phillips, Program in Science and Technology for International Security, M.I.T. and by Newell Mack, Jefferson Laboratory, Harvard University.

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FOOTNOTES

Many analysts have commented that the necessary components for a counter-force attack (an attack primarily on the opponent's missile-based silos) are (1) A high degree of warhead accuracy, (2) Enough warheads simultaneously launched to hit every opposing silo, only achieved by MIRVing. In 1970, we refused to negotiate controls on the deployment of MIRV's despite Soviet willingness to do so. In the last few years our guidance systems have been greatly improved and so have the Soviet's.

The so-called first-strike counterforce threshold is crossed (or we might say built-up) when sufficient counterforce weapons are added to a nation's arsenal to give it the theoretical capability of destroying an overwhelming percentage of opposing nuclear forces in a surprise attack. Both the U.S. and the U.S.S.R. could cross this threshold in the next decade, leading to a highly unstable situation.

QUESTIONS TO BE SUBMITTED TO THE DEPARTMENT OF DEFENSE

The main point we wish to make is this: the defense appropriations you have been asked to approve may not bring our nation more security. Indeed, these funds may make the United States less secure.

These are new types of strategic weapons - capable of destroying Soviet weapons rather than cities. These particular weapons may "destabilize" the arms race and lead us into nuclear war. We shall mention six examples of counter-force weapons systems which threaten to upset the strategic balance:

A. Navstar
B. Trident II
C. Attack Submarines
D. MX
E. Pershing II
F. ELF

As a general introduction to counterforce weapons we include an excerpt from a Congressional Budget Office Study.

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A., B., NAVSTAR and TRIDENT II

A submarine-based missile force of the present (Trident I) accuracy provides the U.S. unambiguously with the ability to retaliate against Soviet cities or industrial targets after a Soviet first strike. Funds are now requested for a more accurate submarine - launched missile, Trident II.

Other funds are requested, for a satellite system, "Navstar," which will markedly increase the accuracy of U.S. submarine-launched Trident II missiles.

The Soviet Union can reasonably, if pessimistically, assume that the warheads on a Trident II missile could be delivered with 750' CEP, without fratricide, with 85% reliability, with zero bias, and that the Soviet silos have a hardness of 2500 psi. With these assumptions, the probability of two Trident II warheads killing one Soviet ICBM silo is 68%, compared to only 13% for Trident I. Navstar will still further increase the threat to Soviet ICBMs.

1. Does not t he projected deployment of 2 or 3 thousand warheads in Trident II missiles increase the first-strike capability of the U.S. against Soviet land-based ICBMs?

2. What is the rationale for increasing the accuracy of missiles launched from submarines?

3. Since roughly three-quarters of Soviet warheads are based in land-based ICBMs (as contrasted with only about one quarter of U.S. warheads based in land-based ICBMs), will not the increased threat posed by Navstar and Trident II to their missiles force

the Soviets to build more ICBMs, or to switch to mobile ICBMs (which are difficult for us to count), or to adopt launch on warning?

4. Faced with the deployment of both MX and Trident II missiles, together with the threat posed to deployed Soviet SSBNs by U.S. attack submarines, wouldn't the Soviet Union have more reason than at present to consider adopting a launch-on-warning policy in order to safeguard its land-based deterrent?

5. Given the inherently limited reliability of any missile-attack warning system, and the fact that U.S. submarine-launched ballistic missiles (SLBMs) could take as little as 10-15 minutes to reach the Soviet Union, wouldn't a Soviet launch on warning policy make crises in U.S.-Soviet relations more dangerous than at present?

C. ATTACK SUBMARINES ("SSN")

Part of our deterrent force, and of the Soviets' deterrent, are missiles carried in submarines. These missiles are threatened by "attack" submarines (SSN submarines) designed to destroy the missile-carrying submarines.

1. Is not each side's submarine-based retaliatory capability threatened by the other side's attack submarines?

2. Since over 85% of the Soviet SSBN force is usually in port without shelter and therefore extremely vulnerable to pre-emptive nuclear attack by ICBMs or SLBMs, isn't it particularly important for the U.S. to exercise restraint in the level of attack submarine deployment, and hence in the U.S. ability to

destroy Soviet missile-carrying submarines?

3. The United States already has more than 90 attack submarines. This is roughly ten times the number of missile-carrying submarines the Soviets normally have at sea. As seen through Soviet eyes do we not already have enough attack submarines to threaten seriously their missile-carrying submarines? (The question recognizes that some of our attack submarines are used to protect U.S. surface ships, or to form barriers in the Sea of Japan or the gap between Greenland and Iceland, but the Soviets must consider that u.S. attack submarines can be diverted from these duties to trailing and threatening their missile-carrying submarines).

D. MX

1. Aviation Week gives the Circular Error Probable (CEP) with which the MX could deliver Mk12-A warheads as 300'. Is this accuracy not considerably greater than that of a Minuteman III missile?

2. It is reasonable to assume that the MX could deliver Mk12-A warheads without fratricide, with 85% reliability, and with a systematic bias error of 300'. This would give a kill probability of over 87%, for even a silo as hard as 5000 psi, if one silo was attacked by 2 warheads. Why is a missile with the hard-target-kill capability of MX needed, in the numbers projected?

3. What is the rationale for producing the MX, which is capable of destroying Soviet land-based missiles in their silos, given the fact that any Soviet ICBMs not used in a Soviet first

strike could be launched as soon as a U.S. retaliatory strike was detected?

4. Doesn't a U.S. submarine-based missile of the present size and accuracy already provide the U.S. with the unambiguous ability to retaliate against Soviet cities or industrial targets, in the event of a Soviet first strike?

5. Couldn't the Soviet Union construe the deployment of MX missiles as a step towards a U.S. capability to strike first and prevent the Soviet Union from being able to cause comparable amounts of damage in retaliation?

6. Given the limits to the reliability of any missile-attack warning system, isn't it extremely undesirable to deploy the MX, since the MX decreases the survivability of the Soviet nuclear deterrent and increases the motivation for the Soviet Union to adopt a launch-on-warning policy?

B. PERSHING II

Funds are requested for the Pershing II, a highly accurate land-based missile. The flight time of this missile from proposed bases in Europe to some soviet missile silos and command centers is under 10 minutes - far shorter than the flight time for a Soviet missile to hit any existing U.S. missile. As seen through Soviet eyes, the deployment of the Pershing II in Europe will threaten some of their missiles and command centers.

Why is the availability of the Pershing II to wage tactical war in Europe worth the destabilizing impact of deploying 108 Pershing II missiles capable of destroying Soviet command centers

and missiles in a first strike?

F. ELF

ELF is an antenna which can transmit orders, at extra low frequencies, to both attack submarines and missile-carrying submarines. If the Soviets struck first, ELF would presumably be one of the first targets destroyed; ELF would no longer be available to instruct U.S. missile-carrying submarines to retaliate.

But ELF does have a function if the U.S. strikes first: it could instruct U.S. attack submarines to destroy Soviet missile-carrying submarines. The Soviets rely on these submarines to deter a U.S. attack.

Will not the Soviets perceive ELF as contributing to U.S. first strike capability?

It can be argued that ELF has a second strike function if it constantly transmits a signal to U.S. submarines. The abrupt loss of this signal could be interpreted by U.S. submarines as a signal that ELF had been destroyed; the loss of transmission would thus be the signal to attack the Soviet Union. But the transmitter could also stop if its electric power supply accidentally failed. Under this scenario might an accidental loss of power to the transmitter result in a loss of signal to the submarines, and thus an accidental attack on the Soviet Union?

FROM: "COUNTERFORCE ISSUES FOR U.S. STRATEGIC NUCLEAR FORCES," CONGRESSIONAL BUDGET OFFICE, JANUARY, 1978

CHAPTER IV. U.S. COUNTERFORCE CAPABILITY

DETERRENCE AND STRATEGIC STABILITY

It is often suggested that the proper response to the growing Soviet counterforce threat is the development of a significant U.S. counterforce capability. The reasoning is that, even though U.S. forces surviving a Soviet first strike would probably be large enough to destroy Soviet cities, the United States would have few credible responses to a counterforce attack, since retaliation against Soviet cities would surely be returned in kind. Unless U.S. forces were capable of retaliation against the Soviet nuclear arsenal, the Soviet Union might be tempted to attack U.S. strategic forces, and especially the ICBM part of that force, in order to reduce U.S. options or shift the balance of strategic power against the United States. Such an attack might be particularly tempting if the United States had no way to respond in kind and if the Soviet leadership could convince themselves that U.S. leaders would never carry out the threat to destroy Soviet cities as long as U.S. cities remained intact. On the other hand, if a U.S. counterstrike against Soviet strategic forces could succeed in drawing down the Soviet arsenal to a level approximating that of the surviving U.S. force, then no advantage could be gained from a Soviet first strike against the United States. Thus, in an era of growing Soviet counterforce capability, deterrence may depend on U.S. acquisition of a second-strike counterforce capability. In recent years official Defense Department statements have hinted at a growing acceptance of such a second-strike counterforce doctrine.

> No opponent should think that he could fire at some of our Minuteman or SAC bases without being subjected to, at the very least, a response in kind. No opponent should believe that he could attack other U.S. targets of military or economic value without finding similar or appropriate targets in his own homeland under attack. No opponent should believe that he could blackmail our allies without risking his very capability for blackmail. 1/

1/ James R. Schlesinger, Annual Defense Department Report, FY 1976 and FY 1977, pp. II-4 and II-5.

An even more direct statement of a second-strike counterforce doctrine was made in 1976 in hearings before the Senate Armed Services Committee:

> In attempting to retaliate for an attempted disarming first strike, one possibility, of course, is that of wiping out the Soviet Union. However, I think that a better way of responding is to wipe out what forces he holds back--his remaining blackmail capability--and, hence leave him in a position where he is worse off having executed the strike than not having executed it. If he is worse off doing it, he is not likely to do it. 2/

Several objections have been raised to the development of U.S. counterforce capability. Perhaps the most serious problem with U.S. forces designed for second-strike counterforce stems from the possibility that they would be seen as first-strike weapons, and thus be destabilizing. Two types of nuclear stability might be threatened by the development of U.S. counterforce capability: crisis stability and arms control stability. The first kind involves the incentives to strike first that each side would face in an international crisis. There may be an inescapable dilemma involved in the procurement of second-strike counterforce capability: a U.S. arsenal large enough to attack Soviet ICBMs after having absorbed a Soviet first strike would be large enough to threaten the Soviet ICBM force in a U.S. first strike. Moreover, the Soviet Union, looking at capabilities rather than intentions, might see a U.S. second-strike capability in this light. Faced with a threat to their ICBM force, Soviet leaders facing an international crisis might have an incentive to use their missiles in a preemptive strike before they could be destroyed by the United States. The Soviets might well be far more sensitive to a threat to the survivability of their ICBMs than the United States. The Soviets place far more emphasis on their ICBM force than does the United States, since the submarine and bomber segments of their nuclear arsenal are significantly less capable than those of the United States. Only 11 percent of

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2/ Statement of John B. Walsh, Deputy Director, Strategic and Space Systems, Office of the Director of Defense Research and Engineering, in Department of Defense Authorization, Fiscal Year 1977, Hearings before the Senate Armed Services Committee, 94:2 (1976), Part 11, p. 5930.

the Soviet submarine force is at sea at any one time, leaving the rest vulnerable to surprise attack. 3/ Furthermore, in light of the sophisticated nature of U.S. antisubmarine warfare capabilities and the fact that Soviet submarines are considered to be far noisier than their U.S. counterparts, even Soviet submarines at sea may be vulnerable, although longer-range Soviet SLBMs have reduced this vulnerability. In any event, the destructive power of at-sea Soviet SLBMs is limited because of the primitive nature of Soviet sea-based MIRV capability. Soviet bombers are also much smaller in number and in capability than their American counterparts (see Table 1).

Table 4 presents the expected outcome of three hypothetical U.S. first strikes against the Soviet ICBM force shown in Table 1. Several important implications can be drawn from these results. First, the counterforce capability of Minuteman III missiles against Soviet ICBMs seems to be comparable to the threat posed by the current generation of Soviet missiles to U.S. ICBMs; both sides would be able to destroy about 40 to 60 percent of the other's silo-based ICBMs. Specifically, 550 Minuteman III missiles with improved accuracy, each carrying three warheads, would be expected to destroy about 43 percent of the Soviet ICBM force. If the more accurate, more powerful MK-12A warhead were deployed on all 550 Minuteman III missiles, the United States could destroy about 64 percent of the Soviet land-based missile force in a first strike.

Second, the U.S. MX missile, with its reported ability to carry ten MK-12A warheads to within 400 feet of their targets, 4/ potentially could destroy about 92 percent of the Soviet Union's ICBMs, leaving about 100 missiles, 600 warheads, and 500 equivalent megatons in the Soviet land-based missile force. For comparison, only about 40 percent of Soviet ICBMs could be destroyed by a force of 550 Minuteman III missiles with improved accuracy. This result, when combined with consideration of the qualitative inferiority of the Soviet submarine force and the small size of the bomber force, indicates that deployment of a large number of MX missiles could pose a significant first-strike threat to the Soviet Union.

3/ General George S. Brown, United States Military Posture for FY 1978, p. 14.

4/ See "MX Deployment Urged for Parity," Aviation Week and Space Technology, December 5, 1977, p. 14.

TABLE 4. SOVIET ICBMs SURVIVING A U.S. FIRST STRIKE

U.S. Weapons Used in First Strike	Percent	Missiles	Warheads	Equivalent Megatons
550 Minuteman III	57	791	3,652	2,984
550 Minuteman III with MK-12A	38	508	2,542	2,124
300 MX	8	108	603	523

NOTE: Assumes U.S. programs two groundbursts per target if enough warheads are available. See Table 1 for pre-attack Soviet ICBM force. Soviet modernized silos assumed to be hardened to 2,000 pounds per square inch; 550 pounds per square inch for older SS-11s. MX assumed to carry ten 350-kiloton warheads with CEP of 400 feet and reliability of 0.85. See Table 2 for Minuteman III and MK-12A estimates.

Many opponents of U.S. counterforce capabilities believe that weapons threatening to the Soviet ICBM force would be extremely dangerous in a crisis. They argue that the Soviets would then have an incentive to strike first, since allowing the United States to fire first would result in the loss of a large portion of the Soviet force. Thus, paradoxically, a U.S. attempt to match Soviet counterforce potential might serve to increase, rather than reduce, the possibility of a Soviet attack. These critics also maintain that threats to the Soviet strategic deterrent would compel the Soviet Union to build new weapons to compensate for the vulnerability of their silo-based ICBMs. This Soviet reaction might bring with it not only renewed hostility, but also new weapons threatening to U.S. national security.

Others believe that improved U.S. counterforce capability is unnecessary. Even without the development of an expensive capability to destroy Soviet ICBMs, the United States would have several credible response options short of retaliation against Soviet cities in the event of a Soviet counterforce attack. One possibility would be to retaliate against Soviet conventional military forces. Alternatively, the United States could choose to attack other Soviet nuclear forces, such as submarine ports, bomber bases, and command and control facilities.

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FIRST STRIKE COUNTERFORCE WEAPONS

Mr. DICKS. One question on first strike counterforce weapons.

One of the scenarios is that by developing them, they would force the Soviets to go mobile because they have 70 percent of their missiles land-based. That, with both sides having more mobility, us with a lot of warheads based at sea, that you would add stability. I would agree, I think, that during the time frame in which both our land-based missiles and their land-based missiles are threatened, you are faced with the prospect of significant people suggesting that we ought to go to a launch-on-warning policy, or at least not to rule out a launch-on-warning policy.

Have you considered this question of whether the Soviets would, because of a first strike threat, do a mobile basing of their land-based missiles?

Dr. WESSON. I am not sure I really understand the question.

You are asking if——

Mr. DICKS. The Soviets could take their land-based missiles and develop a race track kind of concept, where they would move those missiles around and add mobility to their land-based force, thus playing the shell game with us, in essence, as we were considering doing out in Utah and Nevada until this Administration overruled the Air Force's plan.

That would then make their land-based missiles more secure and less vulnerable to a first strike.

Dr. WESSON. They would be less apt to have a launch-on-warning if they were scattered out? Is that what you mean?

Mr. DICKS. If you could move them around. The same scenario as the race track where you would have 26 or 23 different silos. They would move their missiles between them on a mobile basis or have the ability to move them. They would be less detectable. They would be more secure and therefore not have to be as concerned about our first strike weapons.

There has been a scenario that if we both go mobile, then that would be the best situation because then both sides would have confidence that their land-based missiles were survivable.

Dr. WESSON. I can't answer that. That is a new thought to me.

Of course, with the Pershings, they are mobile. They are installed in West Germany, of course.

[CLERK'S NOTE: Dr. Wesson submitted the following information for the record:]

The racetrack basing system refered to by Mr. Dicks has many problems, as discussed in the report "MX MISSILE BASING" published in September, 1981 by the office of technology assessment of the Congress.

The key point, however, is not how or where to base the MX missile. Rather the problem is the accuracy of the MX missile. Wherever the MX is based it will threaten the Soviets second-strike.

After a U.S. first-strike by the MX the Soviets would have only 8 percent of their land-based missiles surviving, according to table IV from "Counterforce Issues For U.S. Strategic Nuclear Forces" congressional budget office, January, 1978.

The Soviets have made the mistake of putting most of their eggs in one basket. Unlike the U.S. which bases only one fourth of its warheads on land and three fourths in Submarines or bombers, the Soviets have concentrated three fourths of their warheads in Silos on land.

Deployment of the MX will force the Soviets to respond with a new spiral in the arms race which will destabilize the strategic balance and make war more likely.

We will be more secure if your committee does not recommend funding for production of this missile.

Mr. DICKS. Mr. Edwards?

Mr. EDWARDS. I have no questions, Mr. Chairman.

Mr. DICKS. Thank you for a good statement.

(CLERK'S NOTE: The two previous public witnesses included in their testimony questions to be submitted to the Department of Defense for response. The Chairman has submitted these questions to the Department of Defense and asked that they respond to them for the Committee.)

(The Chairman would like to point out that the Department of Defense has set up procedures to answer requests for information from the general public. All such inquiries should be addressed to: Public Correspondence Division, Directorate for Defense Information, Office of the Assistant Secretary of Defense (Public Affairs), Room 2E777, Pentagon, Washington, D.C. 20301.)

(Since many of the questions submitted by each witness are duplicates, the committee has decided to print them at this point in the record as one set of questions submitted by the Chairman for response by the Department of Defense.)

[The questions and answers follow:]

NAVSTAR AND TRIDENT

Question. The Soviet Union can reasonably, if pessimistically, assume that the warheads on a Trident II missile could be delivered with 750' CEP, without fratricide, with 85 percent reliability and with zero bias, and that the Soviet silos have a hardness of 2500 psi. With these assumptions, the silo kill probability of two warheads are targeted on one silo is 68 percent, compared to only 13 percent for Trident I. Does not the projected deployment of two or three thousand warheads in Trident II missiles increase the first-strike capability of the U.S. against Soviet land-based ICBMs?

Answer. It is not U.S. policy to seek a first strike capability against the USSR. Ours is a deterrent policy, based on the threat of retaliation. The Trident II submarine and missile is designed to offset partially the current Soviet advantage in hard-target kill capability, to provide for greater survivability of the U.S. SSBN force through the increased range of the Trident missile, and to provide the National Command Authority the flexibility needed to insure deterrence. All of these characteristics greatly enhance the deterrent posture of the U.S., and greatly reduce the risk of a nuclear attack on the U.S. or its Allies.

Question. What is the rationale for increasing the accuracy of missiles launched from submarines?

Answer. The improved accuracy of the Trident II missile warheads will help compensate for declining submarine force numbers due to the retirement of older Poseidons, will partially offset the current Soviet advantage in hard-target kill capability, and will provide the U.S. strategic forces greater flexibility, thus enhancing deterrence and reducing the risk of attack.

Question. Since roughly three-quarters of Soviet warheads are based in land-based ICBMs (as contrasted with only about one quarter of U.S. warheads in land-based ICBMs), will not the increased threat posed by Navstar and Trident II to their missiles force the Soviets to build more ICBMs, or to switch to mobile ICBMs (which are difficult for us to count), or to adopt launch on warning?

Answer. The exact nature of the Soviet response to U.S. development and deployment of Trident II in the late 1980s is not known. However, it is important to realize that one reason the U.S. decided on the Trident II system was to counter the Soviet hard-target kill advantage. Furthermore, the U.S. views ballistic missiles, especially ICBMs as the most destabilizing system in each country's forces, and emphasized this point by focusing, in START, on the reduction of these systems. Since Trident II will not be deployed until 1989, and given the ongoing START negotiations, the Trident II system gives the Soviet Union every incentive to continue meaningful negotiations on balanced, mutual reductions in strategic forces, and to reduce their dependence on destabilizing ICBMs.

Question. A submarine-based missile force of the present accuracy provides the U.S. unambiguously with the ability to retaliate against Soviet cities, military, or industrial targets after a Soviet first strike. Isn't the rationale for a second-strike, or retaliatory, hard-target kill capability weak, given both the ambiguity of counterforce capability and the fact that remaining Soviet ICBMs could be launched as soon as a retaliatory strike was detected?

Answer. First, the present submarine-based missile force does not provide the U.S. with the unanbiguous ability to retaliate against Soviet military targets; many such Soviet targets are hardened to the point where they are relatively invulnerable to an attack by US SLBMs.

Second, the U.S. maintains its strategic forces for two reasons: to deter nuclear aggression on the U.S. for its Allies; and, in the unlikely event that deterrence fails, to retaliate effectively against the aggressor consistent with the level of aggression. Accordingly, it is essential that the U.S. possesses a force structure capable of responding flexibility to any level of nuclear attack. In short, the case for a retaliatory, hard-target capability is weak only if the case for an effective deterrent posture is weak.

Question. The first generation of TRIDENT II missiles carry inertial guidance systems. It is true that a second generation of TRIDENT II Missiles incorporating either guidance from the projected NAVSTAR system or a stellar interial guidance system could deliver the same warheads with a still smaller CEP?

Answer. At the present time, only one generation of TRIDENT II is planned. The stellar inertial guidance system with improved accuracy has been selected for the TRIDENT II weapon system. In principle, and if available under all conditions, the NAVSTAR could be used to augment SLBM stellar inertial guidance to permit achieving a smaller CEP. However, any guidance concept that depends on external communication, as does NAVSTAR, degrades the strategic deterrent force confidence to some degree as compared with self-contained systems such as the stellar inertial system.

Question. Faced with thge deployment of both MX and Trident II missiles, together with the threat posed to deployed Soviet SSNBNs by US attack submarines, wouldn't the Soviet Union have more reason than at present to consider adopting a launch-on-warning policy in order to safeguard its land-based deterrent?

Answer. The exact nature of the Soviet response to U.S. deployment of Trident II and MX is not known; however, U.S. deploy-

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ment is designed to enhance its deterrent posture by countering the Soviet advantage in hard-target kill capability, by improving the survivability of US strategic forces, and by increasing the retaliatory flexibility of the U.S. In addition, the deployment of Trident and MX provides incentives for the Soviet Union to move away from their heavy reliance on ICBMs, a reliance which destabilizes the nuclear equation and threatens our deterrent forces.

Question. Given the inherently limited reliability of any missile-attack warning system, and the fact that U.S. submarine-launched ballistic missiles (SLBMs) could take as little as 10–15 minutes to reach the Soviet Union, wouldn't a Soviet launch-on-warning policy make crises in U.S.-Soviet relations more dangerous than at present?

Answer. It is impossible to predict what the Soviet response would be to a perceived threat to its strategic forces. A Soviet launch-on-warning policy would not add to global stability. However, it would be far more dangerous to permit the Soviet Union to retain its present advantage in hard-target kill capability. Further, there is no evidence that the Soviets would adopt such a policy when the U.S. deploys the Trident II missile. In fact, given that Trident II will not become operational until 1989, and given continued START negotiations, the Soviets will have every opportunity to reduce its reliance on destabilizing ICBMs.

ATTACK SUBMARINES (SSN)

Question. Part of our deterrent force, and of the Soviet's deterrent, are missiles carried in submarines. These missiles are threatened by "attack" submarines (SSN submarines) designed to destroy the missile-carrying submarines. Is not each side's submarine-based retaliatory capability threatened by the other side's attack submarines?

Answer. ——— we believe ——— that Soviet forces are not now an effective counter to at sea U.S. SSBNs and that ——— virtually all SSBNs on patrol would be able to launch their missiles.

We do not know the Soviet evaluation of our attack submarine force levels. U.S. attack submarines may be assigned any of a number of missions depending upon the nature of the conflict, actual Soviet deployment and actions, and the progression of the conflict. Attack submarines threaten Soviet attack submarine forces; surface ship forces; and, with the advent of the cruise missile, their land forces as well as their missile-carrying submarines. Regardless of the Soviet perception, ———.

Question. Since over 85 percent of the Soviet SSBN force is usually in port without shelter and therefore extremely vulnerable to preemptive nuclear attack by ICBMs or SLBMs, isn't it particularly important for the U.S. to excercise restraint in the level of attack submarine deployment, and hence in the U.S. ability to destroy Soviet missile-carrying submarines?

Answer. The question exaggerates the number of Soviet SSBNs usually in port. Present trends are that about ——— of the first line SSBNs are operationally ready away from homeport. However, in answer to the question, attack submarines when deployed remain covert other than when departing from and returning to

port. Neither our SSNs' location nor their deployment posture is known to the Soviets. Therefore restraint in the level of U.S. attack submarine deployment would not be apparent to the Soviets. During a conflict or period of high international tension, it is expected that the majority of the Soviet SSBN force would be deployed at sea,

We do not know the Soviet evaluation of our attack submarine force levels. U.S. attack submarines may be assigned any of a number of missions depending upon the nature of the conflict, actual Soviet deployment and actions, and the progression of the conflict. Attack submarines threaten Soviet attack submarine forces; surface ship forces; and, with the advent of the cruise missile, their land forces as well as their missile-carrying submarines. Regardless of the Soviet perception, ———.

Question. The United States already has more than 90 attack submarines. This is roughly ten times the number of missile-carrying submarines the Soviets normally have at sea. As seen through Soviet eyes do we not already have enough attack submarines to threaten seriously their missile-carrying submarines? (The question recognizes that some of our attack submarines are used to protect U.S. surface ships, or to form barriers in the Sea of Japan or the gap between Greenland and Iceland but the Soviets must consider that U.S. attack submarines can be diverted from these duties to trailing and threatening their missile-carrying submarines.

Answer. The Soviets presently have an active deployable SSBN force ———. This means that if all of our SSNs were committed ———. The Soviets currently are building SSBNs at the rate of 1–2 per year.

We do not know the Soviet evaluation of our attack submarine force levels. U.S. attack submarines may be assigned any of a number of missions depending upon the nature of the conflict, actual Soviet deployment and actions, and the progression of the conflict. Attack submarines threaten Soviet attack submarine, forces; surface ship forces; and, with the advent of the cruise missile, their land forces as well as their missile-carrying submarines. Regardless of the Soviet perception, ———.

Question. How is the U.S. SSN budget for fiscal year 1983 broken down between, on the one hand, submarines for local measures such as protecting convoys and accompanying carrier battle groups, and on the other hand submarines for barrier and area search operations and forward operations?

Answer. The U.S. SSN budget for fiscal year 1983 is not broken down among various missions. Our SSNS may be assigned to various missions throughout a conflict and therefore are designed to be highly flexible, multi-mission platforms.

Question. The total number of SSNs stated as necessary in the fiscal year 1983 budget was 110. How would this force be broken down numerically amongst the same categories?

Answer. The fiscal year 1983 budget does not contain a total number of SSNs required. The force level mid-range goal established by the Secretary of the Navy in 1981 is 100 SSNs. Our SSNs may be assigned to various missions throughout a conflict and therefore are designed to be highly flexible, multi-mission platforms.

Question. Since the main platforms from which to attack the deployed portion of the Soviet nuclear ballistic missile submarine (SSBN) force would be SSNs, doesn't the size and capability of the U.S. SSN force have a great influence on at least the Soviet perception of the vulnerability of their deployed SSBNs?

Answer. Although the actual Soviet perception is unknown, it is reasonable to assume that both the size and capabilities of the U.S. SSN force would have an influence on the Soviet's perception of the vulnerability of their deployed SSBNs. The magnitude of this influence is not known.

Question. Is "forward operations" the only category of SSN to be understood as connected with attacking Soviet SSBNs?

Answer. The term "forward operations" is not synonymous with anti-SSBN operations. Forward operations during wartime are operations conducted in areas where the enemy forces have general control or dominance of the ocean surface and air. The SSN mission of forward operations is to ——— conduct sustained independent operations against enemy submarines and surface forces and, with the introduction of the cruise missile to attack land targets. Our SSNs are multi-mission submarines and would be employed in various missions and locations during a conflict. ———.

Question. Joel Wit in *Scientific American* of February 1981 points out that the SSN capabilities required for barrier and area search roles overlap with those required for an anti-SSBN role. Couldn't the U.S. SSNs forming barriers in the Greenland/Iceland gap or in the Sea of Japan, for example, therefore be released to increase the number performing forward operations against Soviet SSBNs?

Answer. During a conflict our SSNs would be deployed based on the expected Soviet force employment and then modified in response to actual developments. At any time SSNs assigned to one mission can be reassigned to other missions; however, this may result in a decreased SSN capability and concomitant decrease in effectiveness in the mission area from which the SSN was reassigned.

Question. A force of 10 SSNs on line, requiring 20 altogether, would provide the U.S. with a one-to-one capability against the number of Soviet SSBNs customarily deployed. The present U.S. SSN force numbers more than 100. How can such a force possibly be unambiguously deployed as not intended for attacking Soviet SSBNs?

Answer. It should be noted that the current U.S. SSN force level is only 88 instead of more than 100. The number of SSNs required to maintain 10 SSNs on station is not 20 but is dependent on the distance to the station, the transit speed to station, the length of time in port between patrols, and the number of SSNs in overhaul. In addition the approximate number of Soviet SSBNs customarily deployed ———.

U.S. SSNs are multi-mission warfare platforms and would be employed in various missions and locations during a conflict. U.S. SSNs when deployed remain covert and, therefore, the intent of their deployment will be unknown to the Soviets. The Soviet perception of the purpose of our SSN force ———.

Question. Isn't the stability of agreements to limit the numbers of landbased ICBMs jeopardized to the extent that the United States has the ability to destroy the Soviet SSBN force?

Answer. Neither the United States, nor, presumably, the Soviet Union would enter into any agreement which did not take into account the potential vulnerability of its strategic forces.

Question. The United States plans to deploy MX and Trident II missiles, as well as more SSNs. Isn't the United States increasing rather than decreasing its ability to launch a counterforce first strike that would prevent the Soviet Union from being able to retaliate flexibly; that is, to be able to retaliate without going against cities and yet keep enough warheads to threaten cities subsequently?

Answer. U.S. strategic policy is to deter nuclear aggression and it is outrageous to suggest that the United States plans a disarming first-strike against the Soviet Union. The MX and Trident II systems provide the National Command Authority with the flexibility necessary to present a credible deterrent to the Soviet Union and counter the Soviet monopoly in prompt hard-target kill capability. Both systems are designed to enhance the U.S. deterrence posture and reduce the chances of nuclear attack.

Question. Wouldn't the Soviet Union be more likely to adopt a launch on warning policy if it perceived its ability to retaliate to be threatened by the U.S. first strike capability? Wouldn't this make United States-Soviet relations more dangerous than at present?

Answer. It is not U.S. policy to seek a first strike capability against the U.S.S.R. It is impossible to predict what the Soviet response would be if it perceived a threat to its strategic nuclear forces. However, the deployment of new U.S. systems is several years away, which gives the Soviets every opportunity to move away from their destabilizing reliance on ICBMs and to continue negotiations toward meaningful, natural, and balanced force reductions.

MX Accuracy

Question. Aviation Week gives the Circular Error Probable (CEP) with which the MX could deliver MK12-A warheads as 300'. Is this accuracy not considerably greater than that of a Minuteman III missile?

Answer. Yes. The MX is considerably more accurate than Minuteman; ———.

Our current estimate of MX accuracy is ——— CEP for either the MK12-A or the ABRV, but that number may be refined with testing.

Question. It is reasonable to assume that the MX could deliver MK12-A warheads without fratricide, with 85 percent reliability, and with a systematic bias error of 300'. This would give a kill probability of over 87 percent, for even a silo as hard as 5,000 psi, if one silo was attacked by two warheads. Why is a missile with a hard-target-kill capability of MX needed in the numbers projected?

Answer. First, we disagree in part with the premise of the question. While MX will provide an improved hard-target-kill capability, ———. Secondly, U.S. deterrent policy has evolved to a greater

emphasis on our ability to threaten military targets. At the same time, the Soviets have emphasized the hardening of facilities essential to their warfighting capability. Our approach is to deter by holding at risk those assets the Soviets value most and harden best. MX is the only near-term weapon capable of promptly attacking these hardened installations.

Question. What is the rationale for producing the MX, which is capable of destroying Soviet land-based missiles in their silos, given the fact that any Soviet ICMBs not used in a Soviet first strike could be launched as soon as a U.S. retaliatory strike was detected?

Answer. The MX is essential to hold at risk hardened Soviet targets. The MX will also contribute significantly to the credibility and capability of the U.S. strategic forces that provide deterrence. At present, Soviet ICBMs, command and control facilities, and leadership elements are relatively immune to prompt attack because of the hardening programs they have pursued over the past 15 years. If we elect to leave this situation unchanged, they will be free to concentrate their resources and technology on developing the means to effectively attack the airbreathing and submarine legs of our strategic Triad. MX provides an incentive for them first to seek survivability in their ICBM force, thus diverting resources from work in areas that could one day become serious problems for us and secondly to seek meaningful arms reductions.

Question. Doesn't a U.S. submarine-based missile of the present size and accuracy already provide the United States with the unambiguous ability to retaliate against Soviet cities or industrial targets in the event of a Soviet first-strike?

Answer. While a U.S. submarine-based missile of the present size and accuracy does permit the U.S. to attack soft Soviet targets, ———. U.S. deterrence policy requires that our forces be able to attack the full range of Soviet targets, ———.

Question. Couldn't the Soviet Union construe the deployment of MX missiles as a step towards a U.S. capability to strike first and prevent the Sovet Union from being able to cause comparable amounts of damage in retaliation?

Answer. The proposed MX deployment, unlike Soviet programs, is small enough to substantially eliminate the threat of an effective first-strike capability. However, MX does possess prompt counterforce capability which can hold at risk many targets of extremely high value to the Soviets. The ability to do this is essential if deterrence is to be maintained. Also, this much needed improvement in our strategic posture should encourage the Soviets to negotiate seriously on limits to strategic nuclear arms in START.

Question. Given the limits to the reliability of any missile-attack warning system, isn't it extremely undesirable to deploy the MX, since the MX decreases the survivability of the Soviet nuclear deterrent and increases the motivation for the Soviet Union to adopt a launch-on-warning policy?

Answer. It is difficult to understand why some observers do not object to the Soviet deployment of SS–18 and SS–19 ICBMs—which put our Minuteman force at risk—while at the same time they find worrisome our attempt to develop a counterbalancing capability at smaller quantitative levels. While the United States would prefer that neither we nor the Soviet Union possesses a counter-force ca-

pability, the present Soviet monopoly in prompt hard-target kill capability poses a serious threat to stability. To counter this Soviet advantage, the United States will deploy the MX missile. In addition, it is hoped that such deployment will provide incentives to the Soviet Union both to reduce their dependence on ICBMs, and to continue to negotiate for meaningful, balanced, and mutual reductions in strategic forces.

PERSHING II

Question. Funds are being requested for the Pershing II, a highly accurate land-based missile. The flight time of this missile from proposed bases in Europe to some Soviet missile silos and command centers is under 10 minutes—far shorter than the flight time for a Soviet missile to hit any existing U.S. missile. As seen through Soviet eyes, the deployment of the Pershing II in Europe will threaten some of their missiles and command centers.

Why is the availability of the Pershing II to wage tactical war in Europe worth the destabilizing impact of deploying 108 Pershing II missiles capable of destroying Soviet command centers and missiles in a first strike?

Answer. NATO Foreign and Defense Ministers carefully considered the impact on East-West stability in reaching their decision in December 1979 to modernize the Alliance's intermediate-range nuclear forces by deploying 108 Pershing II ballistic missiles and 464 ground-launched cruise missiles. Against a background of increasing Soviet intercontinental strategic capabilities, the Alliance became increasingly concerned about Soviet decisions to expand their intermediate-range nuclear forces, especially the deployment of the SS-20 missile, while at the same time the Soviets were improving their short-range nuclear capabilities and the overall quality of their conventional forces.

The Alliance's purpose in deploying the Pershing II, together with the Ground-Launched Cruise Missile, is to minimize the risk that the Soviets might believe—however incorrectly—that they could use long-range forces to make or threaten limited strikes against Western Europe from a "sanctuary" in the Soviet Union, in the misperception that without strong theater-based systems of its own capable of reaching Soviet territory, NATO lacks credible and appropriate means of response. The observation was not lost on NATO Ministers that the Soviet SS-20 missile is capable of striking any target—including U.S. and German Pershing IA ballistic missiles currently deployed in Europe—within a matter of minutes.

It is true that the Soviets have expressed concerns about NATO's planned deployments of the Pershing II and Ground-Launched Cruise Missile. At the same time, however, the Soviets have not been willing to accept the U.S. proposal in the Intermediate-range Nuclear Forces arms control negotiations which would reduce to zero the long-range land-based missiles on NATO's side in return for zero on their side. Already faced with the deployment of 945 warheads on 315 SS-20 missiles and in the absence of an INF arms control agreement, proceeding with the deployment of the PERSHING II missile strengthens the NATO deterrent, lessens the

likelihood of Soviet miscalculation, and hence leads to greater security for the Alliance.

EXTREMELY LOW FREQUENCY (ELF) COMMUNICATIONS SYSTEM

Question. ELF is an antenna which can transmit orders, at extra low frequencies, to both attack submarines and missile.carrying submarines. If the Soviets struck first, ELF would presumably be one of the first targets destroyed; ELF would no longer be available to instruct U.S. missile-carrying submarines to retaliate.

But ELF does have a function if the U.S. strikes first: it could instruct U.S. attack submarines to destroy Soviet missile-carrying submarines. The Soviets rely on these submarines to deter a U.S. attack.

1. Will not the Soviets perceive ELF as contributing to U.S. first strike capability?

2. It can be argued that ELF has a second strike function if it constantly transmits a signal to U.S. submarines. The abrupt loss of this signal could be interpreted by U.S. submarines as a signal that ELF had been destroyed; the loss of transmission would thus be the signal to attack the Soviet Union. But the transmiter could also stop if its electric power supply accidentally failed. Under this scenario might an accidental loss of power to the transmitter result in a loss of signal to the submarines, and thus an accidental attack on the Soviet Union?

Answer. No. The ELF Communications System being designed is incapable of directing—either through signal presence or absence—an attack on the Soviet Union. Only the National Command Authority can initiate an Emergency Action Message (EAM) to the Triad (bombers, ICBMs, SSBNs) directing action against an enemy. Such a positive message vice the loss of signal is required to release nuclear weapons. Transmission of such an EAM via the ELF system is not feasible. Communications systems are in place today for EAM delivery at much greater speed (minutes) via VLF/LF/HF/UHF which provide the capability for rapid dissemination. However, all of these non-ELF systems have a liability in common; they all require submarines to use antennas at or near the surface to receive communications thereby exposing the submarine to posible detection. ELF will provide SSBNs the freedom from detection by expanding the speed and depth envelope within which they can operate and still receive a communications signal be it a relatively slow one. The ELF communications system will transmit short three character "messages" to submarines which, when received, will be "decoded" using a code book containing predetermined, formatted messages.

In summary, ELF cannot transmit an Emergency Action Message, but rather maintains connectivity in order to alert SSBNs to an EAM arriving on other C3 systems, such as the fixed Very Low Frequency broadcast or the airborne TACAMO VLF broadcast. The advantage of ILF is that it offers a way for the SSBNs to stay in communication at depth ensuring their continuing survivability and providing a deterrent to the enemy of assured retaliation.

[CLERK'S NOTE.— End of questions submitted by Mr. Addabbo.]

WEDNESDAY, AUGUST 11, 1982.

BERKSHIRE COUNTY FREEZE CAMPAIGN

WITNESS

PAUL WALTER, JR., CODIRECTOR, BERKSHIRE COUNTY FREEZE CAMPAIGN; MEMBER, PEOPLE FOR PEACE

Mr. DICKS. Our next witness is Mr. Paul Walter, Jr.

STATEMENT OF MR. WALTER

Mr. WALTER. Thank you, Congressman Dicks, other committee members, and others here for hearing this testimony. I am going to be a bit blunt. I have never testified before. I may never testify again. I hope you will take it in the spirit it is intended.

We had a car crash coming down here. If I may answer your question, take that liberty, I think we can't count on the Soviets to do what we hope they will do. They would probably start to develop first strike capability, too.

Mr. DICKS. They do have that. Seventy percent of the land-based missiles—the 306 SS–18s, all are first strike weapons.

Mr. WALTER. The tendency has been for them to duplicate our technology.

As we developed the neutron bomb, they developed it. I would think they would want to equal our technology. We can't anticipate they will go mobile. That would be my reaction to that question.

MOBILITY OF LAND-BASED MISSILES

Mr. DICKS. If you are a Soviet defense planner and you now are faced with the prospect of a Trident missile or an MX missile or MK–12 warheads with their better guidance system, aren't you going to say at some point maybe we ought to make those land-based missiles mobile so we have more confidence in the survivability of our own force?

I am not looking at them doing something to benefit us. I am just telling you I think they may feel it is in their own self-interest.

Mr. WALTER. I understand the thrust of your argument.

Mr. DICKS. Both sides have their forces basically in a mobile posture. It would be a more stable situation between the two super powers.

What you are suggesting is, some people would not want to force them to have to make that decision.

Mr. WALTER. Basically we are still going in the same direction.

If I can start on my testimony, I was co-director of—

Mr. DICKS. Would you suspend now? We have to go across the hall and make a quorum. We will be back. This will not count on your time.

[Recess.]

Mr. DICKS. Mr. Walter, we are back. Please proceed.

Your entire statement will be placed in the record.

Mr. WALTER. What is going in the record is much longer.

BILATERAL NUCLEAR WEAPONS FREEZE

I am here to report on the bilateral nuclear weapons freeze which took place in Berkshire County, Massachusetts, which spans western Massachusetts from Vermont to Connecticut, and to say how I think the Congress of the United States is pretty out of touch with the sentiment in Berkshire County and throughout the nation on the freeze issue.

From February of 1982 through June 29, 24 communities of the 32 in Berkshire County endorsed the freeze through town meetings and governmental bodies, 20 communities saw The Last Epidemic at least once with eleven different members of the Physicians for Social Responsibility participating in those meetings.

In addition, an organization called STOP, students and teachers organized to prevent nuclear war has now, since last fall, established 31 chapters in eleven states. It is based in western Massachusetts. An inter-faith Council has been established encompassing all faiths and had one of the most beautiful services I have ever seen up there.

In November of 1980, four counties in western Massachusetts became the first anywhere on earth to vote on the freeze issue.

The freeze received about sixty percent of the vote. At the same time, something called Proposition 2.5, which is a proposal to limit property taxes to assessed value of 2.5 percent received about 60 percent of the vote.

With that vote in November of 1980, and the town meetings, all but one of the Berkshire County communities has endorsed the freeze, but the message of 60 percent voting for 2.5 while at the same time voting for the freeze is even closer.

The people of this country want no more taxes and they want no more arms races which is burdening those taxes more than anything else.

This is a movement which is not just taking place in western Massachusetts. Ten state legislatures have endorsed the freeze, 33 counties, 444 New England towns, and 199 cities in the United States.

A New York Times CBS poll indicated 87 percent of the American people support a freeze. In addition to this, the freeze issue is going to be on at least seven state ballots in November: Arizona, California, Michigan, New Jersey, Oregon, Rhode Island, Wisconsin and probably Maine.

So 25 percent of the American people will have a chance to vote on it this fall. The United States only votes as a whole nation once every four years.

Then only for President. We have no national voting. The freeze has become, therefore, a de facto national referendum on the arms race.

There is some precedent for what is going on here today in the freeze movement. Prior to the Civil War, the slavery issue was taken before town meetings and village churches throughout the land when the Congress becamse unresponsive. Now what is happening while the freeze is going on?

What is the congressional reaction?

COSTS OF WARS

In fiscal year 1982, $316 billion is being spent on past, present and future wars when you include veterans' benefits, hidden CIA costs, and interest on the debt incurred during those wars.

That is 65 percent of the federal budget when you don't count transfer payments. It is 85 percent of the federal tax dollar in current revenue. It represents expenditures of $1375 per person per year. For every billion dollars of new military spending, it represents an expenditure of $4.35 per person.

PERCENT OF POPULATION IN MILITARY

It represents 10.6 percent of our gross national product, but the burden is not just a monetary one. It is also a burden of manpower. I refer you here to the computer statement on the back of the testimony. I think this has never been done before. We did a computer study taking the percent of the population in the active armed forces in peacetime prior to World War II.

It came out to be fourteen one-hundredths of one percent and we compared that to the post-World War II levels during which most of the time there was a peacetime draft.

It came out to 1.5 percent.

In other words, ten times the population as a percentage of the population in the active armed services or, in other words, if we went back to our pre-World War II levels as a percent of the population, we would have about 35,000 in our active armed forces, not over 2,050,000 as we now have, of which over 500,000 are stationed outside the United States.

I refer you to that entire history of the draft incorporated in the testimony there.

The peacetime registration is really the wrong focus. The focus of the country should go on how large should the standing peacetime army of the United States be. Our forefathers warned us against a large peacetime standing army. These numbers in terms of the tax dollars being spent on the military and the manpower imply that we have never stopped fighting World War II.

The peacetime military levels of this country are bankrupting us economically, politically and morally.

How is it with local communities defeating about 50 percent of the school levies going before them, with the sentiment for the freeze being overwhelming throughout the land, the Congress is voting 240 to 163 against cuts in the silly crisis three location program and on August 5, voted 204 to 202 against the freeze.

One factor may be that since 1913 the number of congressmen has been fixed at about 435. Back in 1783 there were about 41,000 people per congressmen; in 1981 it reached a level of 528,000 people for congressmen, or 12.8 times.

I refer you to level two in the testimony.

To my knowledge, that is the only time anything like this has ever been compiled of taking people per congressmen from every Congress from 1789 on. It is increasing every year and reaches a new record.

There is no way that this can represent reality when the population of the U.S. is increasing by over two million a year, but there is no increase in the number of congressmen. The common argument used against increasing the number is, it would be unwieldy, but I would say the 435 is an easier number to control.

But the problem is deeper than just numbers. Back during the Kennedy Administration, my father was the national president of the world Federalists.

He has often told the story of new congressmen coming in and wanting to be against increased military spending. Then someone from the Pentagon would come over with a computerized printout of that congressman's district showing the number of military contracts in the district, the number of jobs due to those contracts, and the number of company and union contributions due to those contracts and the congressman was suddenly not so interested in voting against military expenditures.

Or as Sidney Lens of the Progressive Magazine pointed out, there are more lobbyists from the Pentagon on Capitol Hill—600—than congressmen or senators.

Mr. EDWARDS. Who says these things?

Mr. WALTER. Sidney Lens of the Progressive Magazine.

FEDERAL OVER TAXATION

What can be done about this federal over-taxation? If these taxes were put to a vote of the people nationally, I am sure they wouldn't allow this to happen and return Congress to a more real representation of the American people. Here are ten suggestions. We can start calling military spending military spending and not defense spending and change the name of the Department of Defense back to what it really is the War Department.

We can freeze expenditures on nuclear weapons. We can freeze military expenditures. Fourth, we can end pecetime registration, appropriations and authorization for peacetime draft which has been on the books since 1948 and thereby end the peacetime prosecutions.

Mr. DICKS. What are those?

Mr. WALTER. We are not in a state of declaration of war and we are prosecuting boys now who are refusing to kill by non-registration.

We can limit the numbers of the peacetime standing army. We can limit the numbers stationed outside the U.S. in peacetime.

Five, we can move the military out of the Pentagon and out of Washington to diminish its influence.

SOVIET UNION

Mr. DICKS. What are you going to do with the Soviet Union?

Mr. WALTERS. It is going to stay there. We would still be dealing with it, but I think the military influence has become undue.

Mr. DICKS. I think there would be more credibility—and I share many of the sentiments and voted for the freeze, co-sponsored it, but I think sometimes we get a little carried away about what we are going to do here in the United States and don't give enough perspective to what our principal adversary in the world is doing and how we intelligently assess what that increased capability means in terms of geopolitical considerations in the world.

I understand when you come to testify before Congress, you want to talk about the things that are within the purview of the Congress, but I think sometimes we forget that the reason why a lot of those things are being done is because of an assessment this country has about the threat that we face in the world; not that anybody wants to spend all this money on defense to buy things that we can never use, that really do not add to our productivity in any way, shape, or form, but it is an assessment, a consensus assessment, by the leadership of this country that we face a very determined adversary who is spending more in real terms on defense than we are and who is developing a margin of superiority in the conventional area; particularly I am convinced we have basic strategic parity with the Soviets, but in the conventional area have made incredible improvements.

I think sometimes when you want to know why Congress isnt responding to—as quickly to the concerns that you sense of the American people, it is not that we don't sense the same concerns. When you have a vote of 204 to 202 on a resolution calling for a freeze, I think that indicates that there is a substantial group within the Congress who understand how the American people feel; but the bottom line is that we still have an adversary who is continuing—even though they talk about peace and talk about not wanting to go ahead—are still building an incredible war capability. One has to wonder why. That is why serious people take them and those of us who have the responsibility take this thing very seriously, not in a frivolous way.

Mr. WALTER. I heard Senator Tsongas speak in Massachusetts and he said whatever we think about the Soviets, they are no angels. I don't mean to suggest we should—

Mr. DICKS. That is why serious people take them seriously.

Mr. WALTERS. I understand. On the other hand, they are looking at us and seeing us doing the same thing.

NEGOTIATIONS

Mr. DICKS. That is why we are trying to negotiate. I think the real answer here is all of this momentum in the country has presented a political imperative to this Administration. The people support meaningful, real negotiations, not just talks and my assessment—just as one member, not speaking for this committee or anything else, just one member—is that that has had a profound impact on this Administration's willingness to negotiate.

Mr. WALTER. I think so. These are only suggestions. I am not saying this should be the way it is.

We could have a gas tax on gasoline and diesel fuel, the consumption of which drastically hurts our national security of one dollar a gallon.

That would have produced about 106 billion in revenue in 1981 and knowledge I have recently come across, a good guesstimate if we made the interstates toll roads, we could raise $12 billion in revenue.

This is a good suggestion. Congressmen and Senators could be provided with 800 toll-free numbers to facilitate communications with their constituents within their states so the constituents could talk to them. We have spoken to Senator Tsongas' office about this.

Eight, we could increase the number of congressmen so there are not more than 500,000 people per congressman. There are now about 460 per congressman. It would eliminate the need for reapportionment. It is absurd in states having an increased population such as Massachusetts to be losing congressmen.

Nine, we could limit service in either body to 20 years per person.

Ten, there could be a constitutional amendment on amendments so there could be issues on taxes and other amendments.

To conclude, the U.S. Congress no longer realistically represents America today. To put it more strongly and more accurately, the government of the United States is a de facto military dictatorship run by and for the military.

Any government that continues to so grossly misrepresent its people is bound to collapse and should rightfully do so.

The wealth of America was neither produced nor can it be preserved by military spending. The last great upheaval in America was over the abolition of slavery. War has always been amoral, but with the advent of nuclear weapons, war has become obsolete.

I urge you to represent truly the American people, freeze spending on nuclear weapons, and as the last century freed us from slavery, free us now from the slavery of war.

If I might add—and perhaps this addresses some of what you are saying—one of my favorite banners that I saw as of a demonstration in Amsterdam last fall. The translation was roughly end enemy thinking. Roger Fisher, a fellow at Harvard Law School, wrote a book called "How to Get to Yes."

He had a small role in the Iranian negotiations. He said in a speech we have to quit looking at the Russians as the problem. We have to quit looking at them as the problem. We have to realize we have 50,000 nuclear weapons on this earth. That is the problem we share in common. What are we going to do about it?

This thing will go one way or the other. We will keep building these things, which will lead to inevitable disaster, or we will go the other way and freeze and reduce them.

What goes on here today between 11 of us is part of that decision-making process.

[The statement of Mr. Walter follows:]

Testimony
to
House Appropriations Committee
August 11, 1982
Washington, D.C.
by
Paul Walter, Jr.
Co-Director, Berkshire County Freeze Campaign
Member, People for Peace
72 Housatonic Street
Lee, MA 01238
413/ 243-1082

Thank you for hearing this heartfelt testimony. I want to report the results of Town Meetings that overwhelmingly supported the bilateral weapons Freeze in Western Massachusetts and how it seems that the U.S. Congress is out-of-touch with the sentiment that exists throughout the land.

Since February 9, 1982, 24 community governments (75%) in Berkshire County have endorsed the Freeze. In 20 of these communities at least one educational meeting occurred in which The Last Epidemic was shown. The support for the Freeze is widespread both geographically and across the political spectrum.

In November, 1980, Western Massachusetts became the first place in the U.S. to hold a popular vote on the Freeze. Berkshire County favored the Freeze (then called the nuclear moratorium) with about 60% of the vote. At the same time the voters passed a statewide proposal to limit property taxes to 2 1/2%, also by about a 60% vote (see Table I). The message is two-fold and clear: people don't want to pay more taxes and they want to end wasteful weapons buildups. All but one of the 32 communities in Berkshire County have endorsed the Freeze either by popular vote or through their governments.

The support for the Freeze is not just local. A May, 1982, New York Times/CBS News poll shows 87% of the American public supports an "equal strength" Freeze. 444 New England towns have backed the Freeze, as have 10 state legislatures, 33 counties, and 199 cities nationally. The Freeze will be on a statewide ballot in at least 7 states in November: AZ, CA, MI, NJ, OR, RI, WI, and probably MA. The U.S. only votes as a whole nation once every years and then only for president. The Freeze is therefore becoming a de facto national referendum on the arms race, just as the slavery issue was taken to town meetings and churches prior to the Civil War.

At the same time that people are outraged by taxes and the arms race, Congress has spent over $316 billion in FY '82 on past, present, and future wars (including hidden military expenses, CIA, veterans' costs, and interest). That is about 65% of the federal budget (not counting transfers) and about 35% of the federal tax dollar. It is about $1,375 per person and 10.6% of our GNP. For every dollar spent, it increases the tax burden by $4.35 per person.

A computer study indicates that as a percent of the population, the active armed forces have averaged about 1 1/2% since World War II, as opposed to 0.14% in peace years prior to WW II. In other words, the armed forces of the U.S. would now number about 325,000 by pre-WW II standards instead of the present 2,050,000, of which over 500,000 are outside the U.S. (see attached "History of the Draft"). The focus on peacetime draft registration is the wrong issue. America has had a strong unwritten tradition against any sort of peacetime draft. The real question is: how large should the standing peacetime army of America be?

The implication of these numbers is clear: we have never stopped fighting World War II. These peacetime military levels and expenditures are bankrupting us, economically, politically, and morally.

How is it that Congress has become so out of sync with the American people? Partly, perhaps, it is because in 1793, there were about 41.3 thousand people per U.S. Representative. In 1981, there were over 528,000 people per Congressman, and the number reaches a new record high every day, since the number of Congressmen has been held to about 435 since 1913, when the population was about 97 million (see Table II). The real reason the number has been held

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at 435 is not because a larger number would be "unwieldy", but because the smaller number is easier to control.

Although a fixed number of 435 people can in no way continue to represent a population expanding by over 2 million per year, that is only part of the problem. My father was national president of the World Federalists during the Kennedy Administration. He saw many new Congressmen opposed to more military spending. However, the Pentagon would show these Congressmen a computer print-out of their districts containing the number of military contracts and jobs, and company and union campaign contributions due to these, in their districts. Afterwards, the Congressmen's opposition to increased military spending diminished. In 1979, Sidney Lens of the Progressive magazine noted that the Pentagon had more full time lobbyists -- 600 -- than there were Senators and Congressmen, and that if needed the Pentagon could secure a military job for anyone in the Congressman's district that he wished. 435 Congressmen is a small number for such a massive military to oversee.

What can be done to stop such gross overtaxation for military expenditures that voters would never directly approve (they are voting down local school levies) and end the way Congress is misrepresenting reality in America today? Here are 10 suggestions:

1.) Call military spending, "military spending" not "defense" and change the name of the Department of Defense back to what it really is, the War Department.

2.) Freeze expenditures for nuclear weapons.

3.) Freeze military spending (which has already exploded).

4.) End peacetime draft registration appropriations and authorization (and thereby prosecutions), and set a far lower number for our standing peacetime army and severely limit the number stationed outside the U.S.

5.) Move the military out of the Pentagon and Washington.

6.) Tax car and truck fuel, the use of which endangers national security. A $1.00/gal. tax would have raised about $106 billion in 1981.

7.) Provide all Congressmen and Senators with toll-free "800" numbers within their home states for their constituents.

8.) Increase the number of U.S. Representatives so that there are not more than 500,000 people per Representative.

9.) Limit to 20 years the time one person can serve as a Congressman or Senator.

10.) Initiate a Constitutional Amendment to provide for national referenda on issues, taxes, and Amendments. These could require one million signatures to be placed on a ballot and 60% of the vote for passage.

To conclude, to put it mildly, the U.S. Congress no longer realistically represents America today; to put it more strongly, and I'm afraid more accurately, the federal government of the United States is a de facto military dictatorship, run by and for the military. Any government that continues to so grossly misrepresent its people is bound to collapse, and should rightfully do so.

The wealth of America was neither produced nor can it be preserved by military spending. The last great upheaval in America was over the abolition of slavery. War has always been immoral, but with the advent of nuclear weapons, war is obsolete. I urge you to represent truly the American people, freeze spending on nuclear weapons, and, as the last century freed us from slavery, free us now from the slavery of war.

Thank you.

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TABLE I

Berkshire County, Massachusetts
"Proposition 2 1/2", "Nuclear Moratorium", and Nuclear Freeze results.

Community	Nov. 4, 1980 — Prop 2 1/2 Yes	Prop 2 1/2 No	Nuc. Moratorium Yes	Nuc. Moratorium No	FREEZE Action	1982 Date
Pittsfield	14481	7932	10926	8242	Y*	Feb. 9
Richmond	630	273	508	310	Y(vv. ℓ.119-1)	Apr. 26
Monterey	183	210	277	101	Y(vv. ℓ.100-2)	May 1
Peru	193	112	151	120	Y(vv. ℓ.50-0)	May 1
Gt. Barrington	1581	1118	1391	844	Y(vv. ℓ.200-3)	May 3
N. Stockbridge	406	283	395	204	Y(vv.)	May 3
Windsor	176	140	150	140	Y(vv.)	May 3
Egremont	383	245	335	230	Y(52-26)	May 4
Mt. Washington	27	24	34	13	N(12-23)	May 4
Lenox	1797	1083	1162	952	Y(vv. unan.)	May 7
Hancock	202	106	166	113	Y(42-19)	May 10
Sheffield	712	583	732	456	Y(vv. ℓ.122-3)	May 10
Alford	124	87	126	71	Y(70-0)	May 11
Tyringham	105	92	110	65	Y(vv. 80-?)	May 11
Lee	1528	1014	1162	952	T(vv.)	May 13
Becket	284	212	172	211	T(99-8)	May 15
Sandisfield	178	98	170	77	Y(b. 152-39)	May 17
Stockbridge	762	582	828	393	Y(vv. ℓ.101-2)	May 17
Lanesboro	920	471	688	549	Y(vv. ℓ.120-5)	May 18
Otis	231	174	150	183	Y(vv. maj.)	May 18
Williamstown	1710	1908	2374	1065	Y(vv. ℓ.350-2)	May 18
North Adams	3563	3648	4037	2520	Y#	May 25
Clarksburg	502	333	467	320	Y(vv.)	May 26
Washington	147	99	131	92	Y(vv. - close)	Jun. 19
Cheshire	900	668	790	630	Y(vv. 58-2)	Jun. 22
Hinsdale	513	313	416	319	Y(vv. ℓ.58-2)	Jun. 23
Florida	194	148	175	130	N(vv. ℓ.2-11)	Jun. 26
Adams	3197	1892	2853	1662	N(vv.)	Jun. 28
New Ashford	30	64	55	35	Y(vv. ℓ.30-0)	Jun. 29
Dalton	2194	1140	1814	1273	Not on town warrant	
New Marlboro	277	236	294	177	Not on town warrant	
Savoy	143	76	118	77	Not on town warrant	
TOTALS	38278	25429	33328	22783		
Percentage	60.1%	39.9%	59.4%	40.6%		

Abbreviations:

vv. = voice vote unan. = unanimous ℓ. = about b. = ballot
maj. = clear majority
* = Pittsfield City Council unanimously endorsed the Freeze
# = North Adams City Council endorsed the Freeze 7 (in favor), 1 (opp.), 1 (abst.)
? = The Freeze passed in Tyringham by voice vote with about 60 in favor with a small undetermined number opposed

Y = Yes N = No T = Tabled

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TABLE II - People per Representative

Year	Population (in millions)	#Reps	People/Rep (in 1000's)	Year	Population (in millions)	#Reps	People/Rep (in 1000's)
1789	no data	64	(lack data)	1889	61.79	325	190.1
1791	4.056	70	57.9	1891	64.36	323	199.3
1793	4.332	105	41.4	1893	66.97	356	188.1
1795	4.607	106	43.6	1895	69.58	356	195.6
1797	4.883	106	46.1	1897	72.19	357	202.2
1799	5.297	106	50.0	1899	74.80	357	209.5
1801	5.486	105	52.3	1901	77.58	357	217.3
1803	5.872	141	41.7	1903	80.63	386	208.9
1805	6.250	141	44.3	1905	83.82	386	217.2
1807	6.644	142	46.8	1907	87.01	386	225.4
1809	7.031	142	49.5	1909	90.49	391	231.4
1811	7.460	144	51.8	1911	93.86	390	240.7
1813	7.939	180	44.1	1913	97.22	435	223.5
1815	8.419	182	46.3	1915	100.5	435	231.0
1817	8.899	183	48.6	1917	103.4	432	239.4
1819	9.379	183	51.3	1919	105.1	433	242.7
1821	9.939	183	54.3	1921	108.5	432	251.2
1823	10.60	213	49.8	1923	111.9	435	257.2
1825	11.25	202	55.7	1925	115.8	434	266.8
1827	11.91	213	55.9	1927	119.0	435	273.6
1829	12.57	213	59.0	1929	121.8	435	280.0
1831	13.32	213	62.5	1931	124.1	435	285.3
1833	14.16	260	54.5	1933	125.7	432	291.0
1835	15.00	243	61.7	1935	127.4	432	294.9
1837	15.84	239	66.3	1937	129.0	433	297.9
1839	16.68	242	68.9	1939	131.0	429	305.4
1841	17.73	241	73.6	1941	133.4	435	306.7
1843	18.93	232	81.4	1943	136.7	430	317.9
1845	20.18	226	89.3	1945	139.9	434	322.4
1847	21.41	227	93.3	1947	144.1	434	332.0
1849	22.63	230	98.4	1949	149.2	435	343.0
1851	24.09	233	103.4	1951	154.3	434	355.5
1853	25.74	234	110.0	1953	159.6	433	368.6
1855	27.39	234	117.1	1955	165.3	435	380.0
1857	29.04	235	123.1	1957	171.3	433	395.6
1859	30.69	237	129.5	1959	177.8	436	407.8
1861	32.35	*178	181.7	1961	183.7	437	420.4
1863	34.03	*186	183.0	1963	189.2	435	434.9
1865	35.70	*191	186.9	1965	194.3	435	446.7
1867	37.38	192	194.7	1967	198.7	434	457.8
1869	39.05	212	184.2	1969	202.7	435	466.0
1871	40.94	243	168.5	1971	207.7	434	478.6
1873	43.01	300	143.4	1973	211.9	432	490.5
1875	45.07	293	154.4	1975	216.0	435	496.6
1877	47.14	293	160.9	1977	220.2	435	506.2
1879	49.21	293	168.0	1979	225.1	433	519.9
1881	51.54	293	175.9	1981	229.8	435	528.3
1883	54.10	325	166.5				
1885	56.66	325	174.3				
1887	59.22	325	182.2				

* Civil War

1981: People/Rep = 12.8x yr.1723 total

Sources: Population - Statistical Abstract of the U.S.
Representatives - Congressional Quarterly

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HISTORY OF THE DRAFT

By Paul Walter, Jr., 1st Cong. Dist. Delegate,
1980 Republican National Convention

The first recorded instance of forcing people to fight dates back to about the 27th century B.C. in Egypt. In the 1500's A.D., Machiavelli advocated that rulers use the draft. As early as the late 1600's and 1700's, Prussia had a draft, and people fled it even then. However, the full force of the draft did not occur until more modern times. The French Revolution introduced the National Guard in 1789, and by 1798, males aged 20 to 25 were required to "serve" for 5 years. It is appropriate to call Napoleon "the father of the draft." He spoke of "my annual income of 100,000 men." His use of the draft led to his disasterous foreign invasion of Russia. Disasterous foreign invasions are a historical characteristic of the draft.

In the 1800's, Prussia reached the perfection of the draft. In 1806, Prussia introduced the Selective Service System (SSS). It is fair to say what the potato famine was to the Irish immigration to America, the draft was to the German immigration. Some of my own ancestors may have come from Germany to escape conscription. In 1870, the Franco-Prussian war broke out. Prussia trounced France for many reasons, but because Prussia had the draft and France didn't, it was widely attributed to this reason. Hence, (except in Britain, which has maintained a strong tradition against the peacetime draft), a conscription craze broke out in Europe, and this led to World War I.

World War I helped trigger the Russian Revolution. Although the Czars had had a draft, the Communists quickly reinstituted it in 1918, and included women in August, 1930. They have been drafting ever since, and this made their December, 1979 invasion of Afghanistan possible. Hitler came to power in January, 1933, proposed his peacetime draft in 1934, and started it in March, 1935. He wasted little time in acquiring this tool of totalitarianism. He included women in 1939. Hitler's draft made possible his invasion of Poland, but it also eventually led to his ruin. Russian and German peacetime drafts led directly to World War II.

As in Britain, the United States has had a long tradition against the peacetime draft, and there has always been strong opposition to the draft in any form. In the Revolutionary War, the Hessians were drafted by monarchs on the continent, and the monarchs then sold the services of their conscripts to King George III of England, i.e. the Hessians themselves were conscripts, not mercenaries. Once again, this use of the draft led to a disasterous foreign invasion. The War of 1812 was fought in part because the English Navy was stopping U.S. merchant ships and impressing (drafting) American civilian sailors into the British military. A wartime draft was proposed in the U.S. Congress. This resulted in a near rebellion and secession of some northeastern states. To this end, the Hartford Convention of 1814-15 was called and it issued this statement: "...subjecting...citizens to forcible drafts, conscriptions, or impressions...(is) not authorized by the Constitution ..." Even though Washington, D.C. was burned during the War of 1812, Congress voted against a wartime draft. After the vote, they learned the war had already ended.

During the War between the States, the North had a population of about 22 million and the South about 9 million. The Confederacy started the 1st draft in America in April, 1862. There were many exemptions. For example, pharmacists were not required to go, and drug stores quickly sprung up in many parlors. Even so, about 1/3 of the draftees deserted, including Mark Twain. High desertion rates are another characteristic of conscripted armies. In the North, Lincoln issued 2 calls for volunteers of 1 million men each, both of which were filled. But on March 3, 1863, the 1st draft in the history of the United States was passed. However, the Draft Riots did not start until the names were called. In New York City, the Draft Riots lasted for 4 days from July 13-16, 1863, and left about 1,000 casualties and over $1.5 million in property damage, by that day's dollar. Despite the draft, the North had mostly volunteers, and only about 40,000 were drafted. In the North, one could buy one's way out of the draft. This raised over $300 million. There is a historical paradox in that the Civil War was fought to end slavery, but introduced an even crueler slavery to America, the draft. Surely, forcing boys to kill and be killed is worse than most of the terrible injustices suffered by black slaves. A little over a century ago, we fought a war to end slavery; now, we enslave our children to fight a war.

The second draft in U.S. history came after World War I was declared. The Prussian SSS was adopted by the U.S. on May 18, 1917, and required males aged 21 to 30 to register. The registration was expanded, as historically has usually been the case, after registrations are initiated, in August, 1918, to include males from 18 through 45. Woodrow Wilson described the drafting of men as "to go in and get them." Opposition to the World War I draft led to the formation of the American Civil Liberties Union and the American Friends Service Committee. America returned to a volunteer army after the war.

In 1940, 2 long-standing, unwritten American traditions were broken. The 1st was on September 16, 1940, when the 1st peacetime conscription in U.S. history was signed into law. The second tradition was broken on November 5, when a president was elected to a 3rd term. (On February 26, 1951, this tradition was re-established when the XXII Amendment abolished the 3rd term.) The peacetime draft registered males aged 21-35, but, once again, it was later expanded to include males from 18 to 65! This draft expired on March 31, 1947, but there is yet to be a Constitutional Amendment restoring America to its tradition against peacetime drafts.

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Politicians are said to "make strange bedfellows." Many conservative Republicans have bitterly opposed the draft. Senator Robert Taft of Ohio thought conscription would lead to totalitarianism, and Senator Vandenburg also opposed it. General Douglas McArthur was against a peacetime draft. Nonetheless, in 1948, there was a war scare in Czechoslovakia, much as in the Middle East today, and the 2nd peacetime draft became law on June 25, 1948. It was due to expire on June 30, 1950, but on June 25, the North Koreans invaded South Korea, and the draft was extended to July, 1951. From then on it was extended every 4 years until 1971, when Senator Mike Gravel (D-AL) filibustered to get the extension to induct reduced to 2 years. Thus, on December 31, 1972, inductions ceased. In January, 1976, President Ford issued an executive order that ended registration. However, the SSS Act of 1948 was still on the books. Thus Jimmy Carter, who claims to be a "Christian," becomes the 1st president in history to initiate draft registration, in either peacetime or wartime, without an authorization vote from Congress! This step is as dangerous as it is unprecedented, and indicates that control of the federal government is moving away from Congress and to the military.

To quickly review the recent legislative history of the draft: 1940, 1st peacetime draft; 1948, 2nd peacetime draft; 1976, Ford ceases registration by executive order; 1980, Carter rescinds Ford's order. Those 4 years all have one thing in common: they are all presidential election years in which the incumbent is up for election. Among its other immoral evils, the peacetime draft is playing presidential politics with young peoples' lives!

In the World War I draft, there were 9.9 million American men registered. In the 1st peacetime and World War II draft, 32.5 million men were registered. The 2nd peacetime draft from 1948-75 forced 50.6 million males to register or face up to 5 years in prison and/or a $10,000 fine. Thus, in the 20th century 93 million men have been required to register for the draft, but not one woman!

The 2nd peacetime draft, from 1948-1975, enabled the U.S. to send troops into Korea, Lebanon, Vietnam, Laos, the Dominican Republic, and Thailand, all without a declaration of war from Congress. In 1965, Lyndon Johnson drafted 231,000 males, and in 1966, 382,000, and thus got America into the quagmire of Vietnam, another disasterous foreign invasion. At that time, males could be drafted at 18 years of age, although they couldn't vote until 21. This brought about the XXVI Amendment, which lowered the voting age to 18, on July 1, 1971, which was perhaps the only reform occasioned by the peacetime draft. In peace years prior to World War II, the U.S. had an average of 0.14% of its population in the active armed forces. Since World War II, the average has been 1.47%, over 10 times as much. (See the appended computer survey.) This movement toward the militarization of America is the direct result of the peacetime draft. In 1978, America had 494,000 (24.1%) of its armed forces stationed outside the U.S., at a pro-rated cost of $59.6 billion/year. This, along with our $88 billion bill for imported oil, contributes to our balance-of-payment deficit, and has weakened the dollar. Americans are paying $1,113 per person per year to finance past, present, and future wars. As the military dollar is the most inflationary one that can be spent, since it adds nothing to the production capital base, this is especially untimely. The peacetime draft is necessary to keep this militaristic stranglehold on America, and it will again increase our inflation and other economic woes.

In 1968, a world survey of 77 countries that conscripted was made. Of these 77 countries, 49 had no provisions for conscientious objectors (C.O.'s), 19 had at least some provisions, and 9 were not listed. Of the 77 nations, 71 drafted men only, 3 drafted men and women, and 3 were not listed. There is no recorded instance of a country that drafts women only. The United Nations could set a goal of having all member nations having some provisions for C.O.'s by, say, 1990. After this, the U.N. could set a goal that all members must abolish peacetime conscription.

It should be noted that the burden of the draft falls on the draftee, and not the general taxpayer. In other words, to pay soldiers a competitive wage to volunteer, may require higher taxes. That is, per soldier, the draft is less expensive than a volunteer force because slave labor is cheaper than paid labor. The catch is that a peacetime draft makes a foreign war almost inevitable and this ultimately places a horrendous burden on the taxpayer.

Looking back in history, the founding fathers had a great fear of standing peacetime armies, reflected in the statement, "...standing armies in time of peace, are dangerous to liberty, and ought not to be kept." President Washington, in his farewell address, warned against, "entangling foreign alliances," and President Eisenhower in his farewell address of January, 1961, admonished America about the threat of the "military-industrial complex." A peacetime draft flies in the face of all these warnings from our wise, former leaders.

The draft has always led to disasterous foreign invasions from Napoleon's of Russia, to America's misadventure in Vietnam, to Russia's of Afghanistan (which, if we are wise enough to keep out of it, will lead to a disaster for Russia). At best, there is only a 50-50 chance to "win" any war. But if America gets involved in a war in the Middle East, as the peacetime draft registration is pushing us toward, we almost surely can not win. In World War II, America had the oil, and Germany didn't. Now Russia has the oil,

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and we don't. Russia produces 12 million of Earth's 62 million barrels of oil a day (BAD) production. Russia exports 3 million BAD. America consumes 18 million BAD, but produces only 10 million BAD. By 1990, this will drop to 8 million BAD. If America gets into a shooting war with Russia, Russia will certainly sink the supertankers, and this could easily escalate into a full-scale nuclear war, which no one can win.

Let me conclude with 4 truisms: (1) The draft is sexist; (2) A peacetime draft is un-American; (3) The draft is slavery; (4) Conscription causes war!

Recently, a clergyman calculated that if Jesus Christ were given $100,000 a day, to give out as he wished, out of the over $400 billion that is being spent on Earth on war every year, that Christ would still be giving out money in the year 10,951 A.D.! Such are the resources that Earth is wasting on war in only one year. Peacetime draft registrations and drafts can only aide and abet this waste and push us toward nuclear annihilation. As a New York City psychoanalyst wrote me, "Every draft is a holocaust."

I can think of nothing more heinous in the annals of human history than enslaving boys to kill and be killed. I urge you to adopt a platform plank advocating a Constitutional Amendment to abolish peacetime registration, classification, and induction for compulsory service, and restore America to its long-standing tradition against the peacetime draft.

Percent U.S. Armed Forces Stationed Outside the U.S., 1948-79*

Year	Outside U.S. (in thousands)	Total	%Outside U.S.	P or PD	Year	Outside U.S. (in thousands)	Total	%Outside U.S.	P or PD
1948	401	1,446	27.7%	PD	1964	755	2,687	28.1%	PD
1949	no data	1,615	--	PD	1965	778	2,655	29.3%	PD
1950	343	1,460	23.5%	PD	1966	1,013	3,094	32.7%	PD
1951	no data	3,249	--	PD	1967	no data	3,377	--	PD
1952	no data	3,636	--	PD	1968	no data	3,548	--	PD
1953	1,217	3,555	34.2%	PD	1969	1,195	3,460	34.5%	PD
1954	no data	3,302	--	PD	1970	1,071	3,066	34.9%	PD
1955	867	2,935	29.5%	PD	1971	835	2,715	30.8%	PD
1956	813	2,806	30.0%	PD	1972	628	2,323	27.0%	PD
1957	799	2,796	28.6%	PD	1973	585	2,253	26.0%	PD
1958	734	2,601	28.2%	PD	1974	519	2,162	24.0%	PD
1959	699	2,504	27.9%	PD	1975	517	2,129	24.3%	PD
1960	698	2,476	28.2%	PD	1976	464	2,082	22.3%	P
1961	703	2,484	28.3%	PD	1977	483	2,075	23.3%	P
1962	770	2,808	27.4%	PD	1978	494	2,062	24.0%	P
1963	762	2,700	28.2%	PD	1979	458	2,028	22.6%	P

The 22 peacetime draft years (with data) average 28.8% outside U.S. since 1947.
The 4 peace years average 23.1% outside U.S. since 1975.
The 26 years with data available average 27.9% outside U.S. since 1947.

*Data before 1948 have not been able to be obtained, although they must surely be on file in the Pentagon. They probably average close to 0%. 1951, 1952, 1967, 1968 were years with very high numbers of U.S. troops stationed outside the U.S. It is remarkable that data has not been made available for these years.

Sources: Congressional Research Service; Statistical Abstract of the U.S.; 12-13-79 DOD News Release.

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War Expenditures per capita and as % GNP, 1869-1978

P, PD, or W	Year	Milit.	+	Int.	+	Vet.	=		GNP	% War	$ per Person
(- - - - - - - - - -		B i l l i o n s						$ - - - - - - - - - -)			
P	(1869-1878)	(.065)	+	(.112)	+	(.029)	=	(0.206)	($7.4)	(2.8%)	($4.7)
P	(1879-1888)	(.056)	+	(.066)	+	(.060)	=	(0.182)	($11.2)	(1.6%)	($3.3)
P	1889	.066	+	.041	+	.087	=	0.194	$12.5	1.6%	$3.1
P	1890	.067	+	.036	+	.107	=	0.210	$13.1	1.6%	$3.3
P	1891	.075	+	.038	+	.124	=	0.237	$13.5	1.8%	$3.7
P	1892	.076	+	.024	+	.135	=	0.234	$14.3	1.6%	$3.6
P	1893	.080	+	.027	+	.159	=	0.266	$13.8	1.9%	$4.0
P	1894	.086	+	.028	+	.141	=	0.255	$12.6	2.0%	$3.7
P	1895	.081	+	.031	+	.141	=	0.253	$13.9	1.8%	$3.6
P	1896	.078	+	.035	+	.139	=	0.253	$13.3	1.9%	$3.6
P	1897	.084	+	.038	+	.141	=	0.262	$14.6	1.8%	$3.6
W	1898	.151	+	.038	+	.147	=	0.336	$15.4	2.2%	$4.6
P	1899	.294	+	.040	+	.139	=	0.473	$17.4	2.7%	$6.3
P	1900	.191	+	.040	+	.141	=	0.372	$18.7	2.0%	$4.9
P	1901	.205	+	.032	+	.139	=	0.377	$20.7	1.8%	$4.9
P	1902	.180	+	.029	+	.138	=	0.348	$21.6	1.6%	$4.4
P	1903	.201	+	.029	+	.138	=	0.368	$22.9	1.6%	$4.6
P	1904	.268	+	.025	+	.143	=	0.435	$22.9	1.9%	$5.3
P	1905	.244	+	.025	+	.142	=	0.410	$25.1	1.6%	$4.9
P	1906	.247	+	.024	+	.141	=	0.412	$28.7	1.4%	$4.8
P	1907	.247	+	.024	+	.139	=	0.410	$30.4	1.3%	$4.7
P	1908	.294	+	.021	+	.154	=	0.469	$27.7	1.7%	$5.3
P	1909	.308	+	.022	+	.162	=	0.492	$33.4	1.5%	$5.4
P	1910	.313	+	.021	+	.161	=	0.495	$35.3	1.4%	$5.4
P	1911	.317	+	.021	+	.158	=	0.496	$35.8	1.4%	$5.3
P	1912	.320	+	.023	+	.154	=	0.497	$39.4	1.3%	$5.2
P	1913	.335	+	.023	+	.175	=	0.533	$39.6	1.3%	$5.5
P	1914	.348	+	.023	+	.173	=	0.544	$38.6	1.4%	$5.5
P	1915	.344	+	.023	+	.164	=	0.531	$40.0	1.3%	$5.3
P	1916	.337	+	.023	+	.159	=	0.519	$48.3	1.1%	$5.1
W	1917	.618	+	.025	+	.160	=	0.803	$60.4	1.3%	$7.8
W	1918	6.149	+	.190	+	.181	=	6.520	$76.4	8.5%	$62.3
P	1919	11.011	+	.619	+	.222	=	11.852	$84.0	14.1%	$112.8
P	1920	2.358	+	1.020	+	.213	=	3.591	$91.5	3.9%	$33.7
P	1921	1.768	+	.999	+	.261	=	3.028	$69.6	4.4%	$27.9
P	1922	.935	+	.991	+	.253	=	2.179	$74.1	2.9%	$19.8
P	1923	.730	+	1.056	+	.264	=	2.050	$85.1	2.4%	$18.3
P	1924	.689	+	.941	+	.228	=	1.858	$84.7	2.2%	$16.3
P	1925	.717	+	.882	+	.218	=	1.817	$93.1	2.0%	$15.7
P	1926	.677	+	.832	+	.207	=	1.716	$97.0	1.8%	$14.6
P	1927	.688	+	.787	+	.231	=	1.706	$94.9	1.8%	$14.3
P	1928	.732	+	.732	+	.229	=	1.693	$97.0	1.7%	$14.0
P	1929	.791	+	.678	+	.230	=	1.699	$103.1	1.6%	$13.9
P	1930	.839	+	.659	+	.221	=	1.719	$90.4	1.9%	$14.0
P	1931	.840	+	.612	+	.234	=	1.686	$75.8	2.2%	$13.6
P	1932	.834	+	.599	+	.233	=	1.666	$58.0	2.9%	$13.3
P	1933	.783	+	.689	+	.235	=	1.707	$55.6	3.1%	$13.6
P	1934	.706	+	.757	+	.319	=	1.782	$65.1	2.7%	$14.1
P	1935	.924	+	.821	+	.374	=	2.119	$72.2	2.9%	$16.6
P	1936	1.148	+	.749	+	.399	=	2.296	$82.5	2.8%	$17.9
P	1937	1.185	+	.866	+	.396	=	2.447	$90.4	2.7%	$19.0
P	1938	1.240	+	.926	+	.403	=	2.569	$84.7	3.0%	$19.8
P	1939	1.368	+	.941	+	.417	=	2.726	$90.5	3.0%	$20.8

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War Expenditures per capita and as % GNP, 1869-1978
(continued)

P, PD, or W	Year	Milit.	+	Int.	+	Vet.	=		GNP	% War	$ per Person
(- - - - - - - - - -		B i l l i o n s						$ - - - - - - - - - -)			
PD	1940	1.798	+	1.041	+	.429	=	3.268	$99.7	3.3%	$24.7
W	1941	6.252	+	1.111	+	.433	=	7.796	$124.5	6.3%	$58.4
W	1942	22.906	+	1.260	+	.431	=	24.597	$157.9	15.6%	$182.3
W	1943	63.414	+	1.808	+	.442	=	65.664	$191.6	34.3%	$480.4
W	1944	75.976	+	2.609	+	.495	=	79.080	$210.1	37.6%	$571.4
W	1945	80.537	+	3.617	+	.772	=	84.926	$211.9	40.1%	$607.0
PD	1946	43.151	+	4.722	+	1.261	=	49.134	$208.5	23.6%	$347.5
PD	1947	14.769	+	4.958	+	1.929	=	21.656	$231.3	9.4%	$150.3
PD	1948	11.984	+	5.211	+	2.080	=	19.275	$257.6	7.5%	$131.5
PD	1949	13.902	+	5.339	+	2.154	=	21.395	$256.5	8.3%	$143.4
PD	1950	13.440	+	5.750	+	2.223	=	21.413	$284.8	7.5%	$141.2
PD	1951	20.858	+	5.613	+	2.171	=	28.642	$328.4	8.7%	$185.6
PD	1952	40.536	+	5.859	+	2.178	=	48.570	$345.5	14.1%	$309.4
PD	1953	44.014	+	6.504	+	2.420	=	52.938	$364.6	14.5%	$331.7
PD	1954	40.626	+	6.382	+	2.482	=	49.490	$364.8	13.6%	$304.7
PD	1955	35.630	+	6.370	+	2.681	=	44.681	$398.0	11.2%	$270.3
PD	1956	35.693	+	6.787	+	2.798	=	45.278	$419.2	10.8%	$269.2
PD	1957	38.719	+	7.244	+	2.870	=	48.833	$441.1	11.1%	$285.1
PD	1958	39.917	+	7.607	+	3.104	=	50.628	$447.3	11.3%	$290.8
PD	1959	44.603	+	7.593	+	3.275	=	55.471	$483.7	11.5%	$312.0
PD	1960	43.969	+	9.180	+	3.368	=	56.517	$503.7*	11.2%	$312.8
PD	1961	45.688	+	8.957	+	3.622	=	58.267	$520.1	11.2%	$317.2
PD	1962	49.283	+	9.120	+	3.705	=	62.108	$560.3	11.1%	$333.0
PD	1963	49.243	+	9.895	+	3.871	=	63.009	$590.5	10.7%	$333.0
PD	1964	50.703	+	10.666	+	3.961	=	65.330	$632.4	10.3%	$340.4
PD	1965	47.179	+	11.346	+	4.109	=	62.634	$684.9	9.1%	$322.4
PD	1966	55.445	+	12.014	+	4.214	=	71.673	$749.9	9.6%	$364.6
PD	1967	68.763	+	13.391	+	4.302	=	86.456	$793.9	10.9%	$435.1
PD	1968	78.673	+	14.573	+	4.605	=	97.851	$864.2	11.3%	$487.5
PD	1969	79.145	+	16.588	+	4.879	=	100.612	$930.3	10.8%	$496.4
PD	1970	78.360	+	19.304	+	5.308	=	102.972	$977.1	10.5%	$502.5
PD	1971	77.7	+	19.6	+	9.8	=	107.1	$1,055.5	10.1%	$517.1
PD	1972	76.6	+	15.9	+	10.7	=	102.8	$1,155.2	8.9%	$492.3
PD	1973	74.5	+	17.4	+	12.0	=	103.9	$1,306.6	8.0%	$493.8
PD	1974	77.8	+	21.5	+	13.4	=	112.7	$1,412.9	8.0%	$531.9
PD	1975	85.5	+	23.3	+	16.6	=	125.4	$1,528.8	8.2%	$587.1
P	1976	89.4	+	26.8	+	18.4	=	134.6	$1,700.1	7.9%	$625.8
P	1977	97.5	+	30.0	+	18.0	=	145.5	$1,887.2	7.7%	$671.1
P (est.)	1978	105.2	+	35.4	+	19.0	=	159.6	$2,107.6	7.6%	
PD(NYT)	1979	114.5	+	43.0	+	20.3	=	177.8			
(NYT)	1980	135.7	+	65.1	+	20.5	=	221.3			
	1981	153.7	+	72.2	+	21.2	=	247.1		(est.)	$1,113.1

* Alaska & Hawaii now included.

The average of 71 peace years is 2.5% GNP.
The average of 31 peacetime draft years is 10.5% GNP.
The average of 8 war years is 18.2% GNP.
The average of all 110 years is 5.9% GNP.
The average of 70 peace years = $28.1/person.
The average of 31 peacetime draft years = $334.3/person.
The average of 8 war years = $245.8/person.
The average of all 109 years = $131.2/person.

Sources: Statistical Abstract of the U.S. and calculations from this data.
New York Times, 6-16-80, p.A20.

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.MPUT THE TOTAL NUMBER OF YEARS COVERED BY

UNITED STATES DRAFT DATA, 1789-1977

YEAR	PEACE OR WAR YEAR (P,W)	ACTIVE ARMED FORCES (IN) (THOUSANDS)	UNITED STATES POPULATION (IN) (MILLIONS)	ACTIVE ARMED FORCES AS A PERCENTAGE OF POPULATION PEACE YEARS	WAR YEARS
1789	P	.718	(NO DATA)	-----	-----
1790	P	(NO DATA)	3.929	-----	-----
1791	P	(NO DATA)	4.056	-----	-----
1792	P	(NO DATA)	4.194	-----	-----
1793	P	(NO DATA)	4.332	-----	-----
1794	P	5.669	4.469	.1269	-----
1795	P	5.296	4.607	.115	-----
1796	P	(NO DATA)	4.745	-----	-----
1797	P	(NO DATA)	4.883	-----	-----
1798	P	(NO DATA)	5.021	-----	-----
1799	P	(NO DATA)	5.297	-----	-----
1800	P	(NO DATA)	5.297	-----	-----
1801	P	7.108	5.486	.1296	-----
1802	P	5.432	5.679	.09565	-----
1803	P	4.528	5.872	.07711	-----
1804	P	5.323	6.065	.08777	-----
1805	P	6.498	6.258	.1038	-----
1806	P	4.076	6.451	.06318	-----
1807	P	5.323	6.644	.08012	-----
1808	P	8.2	6.838	.1199	-----
1809	P	12.37	7.031	.176	-----
1810	P	11.55	7.224	.1599	-----
1811	P	11.52	7.46	.1545	-----
1812	W	12.63	7.7	-----	.164
1813	W	25.15	7.939	-----	.3168
1814	W	46.86	8.179	-----	.5729
1815	W	40.89	8.419	-----	.4857
1816	P	16.74	8.659	.1933	-----
1817	P	14.61	8.899	.1642	-----
1818	P	14.26	9.139	.156	-----
1819	P	13.26	9.379	.1414	-----
1820	P	15.11	9.618	.1571	-----
1821	P	10.59	9.939	.1065	-----
1822	P	9.663	10.27	.09604	-----
1823	P	10.87	10.6	.1025	-----
1824	P	11.81	10.92	.1008	-----
1825	P	11.89	11.25	.09858	-----
1826	P	11.59	11.58	.1001	-----
1827	P	11.63	11.91	.09765	-----
1828	P	11.43	12.24	.09338	-----
1829	P	12.1	12.57	.09626	-----
1830	P	11.94	12.9	.09256	-----
1831	P	11.17	13.32	.08386	-----
1832	P	12.48	13.74	.09083	-----
1833	P	12.9	14.16	.0911	-----
1834	P	13.4	14.58	.09191	-----
1835	P	14.31	15	.0954	-----
1836	P	16.87	15.42	.1094	-----
1837	P	22.46	15.84	.1418	-----
1838	P	17.95	16.26	.1104	-----
1839	P	19.32	16.68	.1158	-----
1840	P	21.62	17.12	.1263	-----
1841	P	20.79	17.73	.1173	-----
1842	P	22.85	18.35	.1245	-----
1843	P	20.74	18.96	.1094	-----
1844	P	20.92	19.57	.1069	-----
1845	P	20.73	20.18	.1027	-----
1846	W	39.16	20.79	-----	.1884
1847	W	57.76	21.41	-----	.2698
1848	W	60.31	22.02	-----	.2739
1849	P	23.16	22.63	.1023	-----
1850	P	20.82	23.26	.08951	-----
1851	P	20.7	24.09	.08593	-----
1852	P	21.35	24.91	.0857[illegible]	-----
1853	P	20.67	25.74	.0803	-----
1854	P	21.13	26.56	.07956	-----
1855	P	26.4	27.39	.09639	-----
1856	P	25.87	28.21	.09171	-----
1857	P	27.34	29.04	.09415	-----
1858	P	29.01	29.86	.09715	-----
1859	P	28.98	30.69	.09443	-----
1860	P	27.96	31.51	.08873	-----
1861	W	1217	32.35	-----	3.762
1862	W	1673	33.19	-----	5.041
1863	W	1960	34.03	-----	5.76
1864	W	2031	34.86	-----	5.826
1865	W	2042	35.7	-----	5.776
1866	P	76.75	36.54	.21	-----
1867	P	74.79	37.38	.2001	-----
1868	P	66.41	38.21	.1738	-----
1869	P	51.63	39.05	.1322	-----
1870	P	50.35	39.9	.1262	-----
1871	P	42.24	40.94	.1032	-----
1872	P	42.2	41.97	.1005	-----
1873	P	42.23	43.01	.1005	-----
1874	P	43.61	44.04	.09902	-----
1875	P	38.1	45.07	.08454	-----
1876	P	40.59	46.11	.08803	-----
1877	P	34.09	47.14	.07232	-----
1878	P	36.44	48.17	.07565	-----
1879	P	38.02	49.21	.07726	-----
1880	P	37.89	50.26	.07539	-----
1881	P	37.84	51.54	.07342	-----
1882	P	37.85	52.82	.07166	-----
1883	P	37.28	54.1	.06892	-----
1884	P	39.4	55.38	.07114	-----
1885	P	39.1	56.66	.06901	-----
1886	P	38.64	57.94	.06669	-----
1887	P	38.76	59.22	.06545	-----
1888	P	39.84	60.5	.06453	-----
1889	P	39.45	61.78	.06306	-----

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UNITED STATES DRAFT DATA, 1789-1977

YEAR	PEACE OR WAR YEAR (P,W)	ACTIVE ARMED FORCES (IN) (THOUSANDS)	UNITED STATES POPULATION (IN) (MILLIONS)	ACTIVE ARMED FORCES AS A PERCENTAGE OF POPULATION PEACE YEARS	WAR YEARS
1890	P	38.67	63.06	.06132	------
1891	P	37.07	64.36	.05804	------
1892	P	38.68	65.67	.0589	------
1893	P	39.49	66.97	.05897	------
1894	P	42.1	68.28	.06166	------
1895	P	42.22	69.58	.06069	------
1896	P	41.68	70.88	.0588	------
1897	P	43.66	72.19	.06048	------
1898	W	235.8	73.49	------	.3209
1899	P	100.2	74.8	.134	------
1900	P	125.9	76.09	.1655	------
1901	P	112.3	77.58	.1448	------
1902	P	111.1	79.16	.1403	------
1903	P	106	80.63	.1315	------
1904	P	110.1	82.17	.134	------
1905	P	108.3	83.82	.1292	------
1906	P	112.2	85.45	.1313	------
1907	P	108.4	87.01	.1246	------
1908	P	128.5	88.71	.1449	------
1909	P	142.2	90.49	.1571	------
1910	P	139.3	92.41	.1507	------
1911	P	144.8	93.86	.1543	------
1912	P	153.2	95.34	.1607	------
1913	P	154.9	97.22	.1593	------
1914	P	165.9	99.11	.1674	------
1915	P	174.1	100.5	.1732	------
1916	P	179.4	102	.1759	------
1917	W	643.6	103.4	------	.6226
1918	W	2897	104.6	------	2.77
1919	P	1173	105.1	1.116	------
1920	P	343.3	106.5	.3223	------
1921	P	386.5	108.5	.3562	------
1922	P	270.2	110	.2456	------
1923	P	247	111.9	.2207	------
1924	P	261.2	114.1	.2289	------
1925	P	251.8	115.8	.2174	------
1926	P	247.4	117.4	.2107	------
1927	P	248.9	119	.2092	------
1928	P	250.9	120.5	.2082	------
1929	P	255	121.8	.2094	------
1930	P	255.6	123.2	.2075	------
1931	P	252.6	124.1	.2035	------
1932	P	244.9	124.9	.1961	------
1933	P	243.8	125.7	.194	------
1934	P	247.1	126.5	.1953	------
1935	P	251.8	127.4	.1976	------
1936	P	291.4	128.2	.2273	------
1937	P	311.8	129	.2417	------
1938	P	322.9	130	.2484	------
1939	P	334.5	131	.2553	------
1940	P	458.4	132.1	.347	------
1941	W	1801	133.4	------	1.35
1942	W	3839	134.9	------	2.861
1943	W	9045	136.7	------	6.617
1944	W	11450	138.4	------	8.273
1945	W	12120	139.9	------	8.663
1946	P	3030	141.4	2.143	------
1947	P	1583	144.1	1.099	------
1948	P	1446	146.6	.9864	------
1949	P	1615	149.2	1.082	------
1950	P	1460	151.7	.9624	------
1951	P	3249	154.3	2.106	------
1952	P	3636	157	2.316	------
1953	P	3555	159.6	2.227	------
1954	P	3302	162.4	2.033	------
1955	P	2935	165.3	1.776	------
1956	P	2806	168.2	1.668	------
1957	P	2796	171.3	1.632	------
1958	P	2601	174.1	1.494	------
1959	P	2504	177.8	1.408	------
1960	P	2476	180.7	1.37	------
1961	P	2484	183.7	1.352	------
1962	P	2808	186.5	1.506	------
1963	P	2700	189.2	1.427	------
1964	P	2687	191.9	1.4	------
1965	P	2655	194.7	1.366	------
1966	P	3094	196.6	1.574	------
1967	P	3377	198.7	1.7	------
1968	P	3548	200.7	1.768	------
1969	P	3460	202.7	1.707	------
1970	P	3066	204.9	1.496	------
1971	P	2715	207.1	1.311	------
1972	P	2323	208.8	1.113	------
1973	P	2253	210.4	1.071	------
1974	P	2162	211.9	1.02	------
1975	P	2128	213.6	.9963	------
1976	P	2082	215.1	.9679	------
1977	P	2075	216.8	.9571	------

THE AVERAGE OF ALL PERCENTAGES IS .69546[illegible]98
THE AVERAGE FOR ALL PEACE TIME YEARS IS .40612036
THE AVERAGE FOR ALL WAR YEARS IS 2.9957
THE AVERAGE FOR PEACE YEARS BEFORE 1941 IS .1381048
THE AVERAGE FOR PEACE YEARS AFTER 1945 IS 1.4698469

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Mr. DICKS. Don't you think the freeze has to be mutual?

Mr. WALTER. Yes, I do. Our language has been mutual and verifiable.

Mr. DICKS. You have to achieve that through negotiations, don't you?

Mr. WALTER. Yes, but we are a land of freedom as opposed to the U.S.S.R. and I think that puts the obligation on us. We have the freedom to lobby. The Soviets don't. That is a given, but I think that puts an obligation upon us to initiate these activities.

I would only suggest there are other factors than merely the perception of the Soviet Union. It is multifactored, the input coming into Congress, and what is determining that perception.

Mr. DICKS. Mr. Edwards?

Mr. EDWARDS. I don't see a copy of your resolution or referendum. Would you supply that for the record?

Mr. WALTER. Yes. I shall mail that in.

[CLERKS NOTE.—The information was not received in time to be printed in this hearing volume.]

Mr. DICKS. I want to make sure you aren't calling for a unilateral freeze.

Mr. WALTER. No. None of these proposals have been. They are all calling for a bilateral resolution between Russia and the United States.

One of the difficulties of the reductions that are being proposed, the MX, the trident, the B–l, and such systems, the cruise missile, they will all continue under these reductions. Basically it looks like we are reducing stuff that has become obsolete anyway.

Mr. DICKS. Thank you for a very thought-provoking statement.

WEDNESDAY, AUGUST 11, 1982.

AMERICAN TRANSPORTATION POLICY

WITNESSES

JACK BRANNAN, TRANSPORTATION SYSTEMS CONSULTANT

Mr. DICKS. Mr. Brannan.

STATEMENT BY MR. BRANNAN

Mr. BRANNAN. Good morning.

I am Jack Brannan, here on my own steam. It cost me $500 or $600, I have not totaled it yet. The United Church of Christ helped me in planning how to get here. I am an independent consultant specializing in transportation. I am a graduate mechanical engineer. I belong to the American Society of Mechanical Engineers, the Institute of Electronics and Electrical Engineers, the American Institute of Industrial Engineers, and I am associate member of the American Society of Professional Engineers.

I am a registered Republican. I belong to the Republican Club on Long Island. I belong to the Sigma Chi Alumni Association in New York City. I belong to the MIT Club in New York City. I am a citizen. No one has paid me to do this.

My colleagues are concerned that we are going to end life on this earth. We are scientists and we are concerned about this. We also think there are other things we could do other than just build a military establishment, one for one against the Soviets.

OIL FROM THE MIDDLE EAST

One of the things we think—at least I believe that we could do would be to find the pressure places in the world where incidents may occur that could precipitate a war. My thrust this morning—and I will be brief because I have sat on panels and you gentleman do not want to hear someone harangue all morning—is on importing so much oil from the Middle East.

The reason, the thinking there is that the Soviets probably will want that oil. My reserve reveals that we can function in this nation with a much, much lower rate of petroleum consumption.

I have written three scenarios in my prepared address. I will briefly summarize one of them. It simply says that we get 30 percent of our oil from Saudi Arabia, according to my research, is an Islamic kingdom, a great deal like Iran. They could have a revolution. We could go in under the Carter doctrine, which I also recommend we think very seriously about the effectiveness of, and say

we still take the oil; and then our friends to the North will say, no, you won't.

There we are. I don't think that would precipitate atomic war, but my research reveals if we had a long protracted regular war over there, a conventional war, we would run out of petroleum and then we would start using minutia nukes and pretty soon we would be in the big nuke business.

That is one scenario. There are other things in the Middle East that my research reveals are less than perfect. Of course, what is going on over there now. There is a Libyan problem, the oil that the Middle East gives to our allies in Europe, and Japan.

TRANSPORTATION OF OIL

There is the transportation problem. I am a transportation man. There is the terrible transportation problem of getting petroleum out through the southern part of Saudi Arabia. But to have 30 percent of our needs met by one Islamic nation concerns me deeply. I propose that the United States government either slap an import duty tax on imported oil or ration petroleum products.

I don't think this is going to upset the functionality of the nation. It will have an economic impact, but you have to trade that off against nuclear war. My research reveals that 45 percent of all the petroleum used in the United States is consumed by the automobile.

Many of my colleagues and myself think that that could be reduced by 75 or 80 percent because—and this is my specialty—we think about 50 percent of all the driving is discretionary. It takes place in heavy cars, in automobiles which are still equipped with automatic transmissions; it takes place with jackrabbit starts and stops; it takes place in excess of the speed limit; it takes place without car pooling.

MASS TRANSIT

Mass transit in this nation, which is really my specialty, is underutilized as compared to our allies in Western Europe and Japan. Electrified mass transit has a Btu ratio to the automobile of about 40 to 1, gentlemen, based on my research and the research of General Electric.

If it is electrified, you don't have to use any petroleum at all. You can use garbage, falling water, the atom, coal—we have lots of coal. So there is one place that—the nation wouldn't fall apart in my opinion.

TRUCKING INDUSTRY

Number two, I recommend that we take a good look at the trucking industry. The trucking industry is a fine local delivery mechanism, but we use it on long haul; it is four times more Btu expensive than the freight train.

These are reasons why I think that we could live within our petroleum budget. We have a lot—I don't have a figure on it. I probably should, but I didn't have all the time in the world to prepare this—we should put every oil-fired central power plant in my

opinon on coal. We have much coal. Our oil supplies are pretty good compared to many nations of the world. It is just we use so much.

JET AIRCRAFT TRAVEL

I recommend that we limit short haul jet aircraft travel. I came down on the Metroliner last night. I had to come down last night because I wanted to come down on the Metroliner. Still takes three hours, and that is too long, but technically that is not an unsolvable problem. One of my friends is the chief mechanical officer of the French National Railways. They are running 168 miles an hour a day. I don't know how they did it. It is not that hard to do.

The reason I say we have to watch the jet aircraft—and I didn't say take them all out of the sky, I am recommending taking the short haul jets out, because they use two-thirds of the fuel taking off and getting to cruising altitude. The Eastern Airlines shuttle going up and down like this is using a lot of fuel.

I feel that in conclusion, if we learn to live within our petroleum budget and not lead with our chins in the Middle East—which I think we are doing, that is my opinion—we are going to remove one of the places where a war could begin. If we do that, then we will have enhanced the chances for peace.

Thank you.

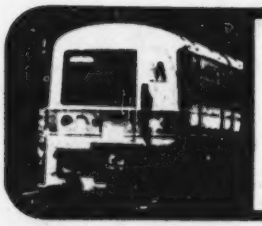
Mr. DICKS. Thank you.

Mr. Edwards.

Mr. EDWARDS. No questions, Mr. Chairman.

Mr. DICKS. Thank you.

[The statement of Jack Brannan follows:]



JACK BRANNAN
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July 28, 1982

AMERICAN TRANSPORTATION POLICY, MIDEAST OIL, WORLD ECONOMIC STABILITY AND WAR PREVENTION.

The economic base of all industrialized countries is the employment of human technology to use natural resources in order to make goods and render services. As population in the world increases and technology becomes more refined, we use more and more natural resources to satisfy more and more people. Most of these resources are not renewable, such as petroleum, yet we use them as if the supply was unlimited.

For these two reasons, alone, i.e. the depletion of world resources and the increase in world population, our government should be deeply involved in conservation programs in America and worldwide. It is not!

It is my sincere and professional opinion that the single most potential source for the precipitation of hostility in the world is:

The United States' persistent policy of living beyond her petroleum budget. By this I mean the United States' persistent consumption of petroleum which is about 45% now in excess of her ability to find, produce and refine oil. Let's examine this more closely.

Up until this year, the United States imported approximately 50% of all petroleum she consumed. Ninety percent of this oil imported, or approximately 45% of that consumed, came from the Middle East. The Middle East is politically, theologically, militarily and emotionally the most unstable portion of the whole

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globe. To make matters worse, situated in the center of this boiling pot is our friend and ally, tiny Israel. Israel has no oil.

The United States, with about one-sixth of the world population, consumes approximately 30% of all the world's petroleum. In so doing, the United States bids the price of world petroleum higher and higher, making it difficult for our allies to purchase the stuff and impossible for the poor third world nations to obtain it at all. This fact is often brought to my attention by my colleagues in France and Japan. Incidentally, this should have been sufficient motivation to make us stop the practice of gluttonous petroleum consumption long ago but it has not.

Looking at our consumption of petroleum in the Middle East, we find the following:

30% of all the petroleum used in the United States comes from Saudi Arabia. Saudi Arabia is an Islamic kingdom which has a population of something less than 3 million people. It has a land area equivalent to about three times that of France. Underneath Saudi Arabia rests approximately 35% of all the petroleum in the world. Not only that but said petroleum is about the easiest to extract, the richest in BTU, and the easiest to refine of any petroleum found anywhere in the world. With a population of less than 3 million people, there is absolutely no opportunity for equal dollar value in trading of American agricultural produce for Saudi Arabian oil. After all, how much wheat can 3 million people eat?

The government of Saudi Arabia is a dictatorship, my research reveals, that is repressive. My research also reveals that approximately 90% of all the petroleum dollars flowing into the nation find their way into the hands of less than 10% of the population.

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Certain segments of the Saudia Arabian theological establishment are vehemently opposed to Israel and hate all Jews and Christians. Saudi Arabia has recently offered aid to Lebanon against Israel.

In short, the situation in Saudi Arabia is very close to the situation that existed in Iran prior to the overthrow of the Shah. The United States failed to recognize the forces that were prevalent in Iran and, thus, became embarrassed by the revolution. Accompanying the Iranian revolution was the stoppage of the flow of Iranian oil to the United States. It is highly possible, in my professional opinion, that the same type of revolution which occurred in Iran could easily occur in Saudi Arabia. If militant Islamics seize control of the Saudi government, there is absolutely no doubt in my mind that the flow of petroleum from Saudi Arabia to the United States would stop. This would mean an interruption of 30% of the oil consumed by America.

Given the present state of affairs in the United States which includes a smarting from the embarrassment rendered us by Iran, should such a stoppage of petroleum flow take place, I sincerely believe that forces could arise within our government from some sectors to take military action against the Saudis, take control of the oil fields and restore the flow of 30% of our petroleum. Such overt action on our part, should the oil supply be interrupted, would immediately, in my opinion, precipitate retaliation by Russia. By 1982/83, Russia will become a net importer of petroleum. She is presently eyeing with envy the rich petroleum deposits of the Middle East. Her invasion of Afghanistan, which was purely in violation of international and moral law, was the first step in getting militarily closer to the oil deposits in Iran, Iraq, and the rest of the Middle East. Any military action on the part of the United States to secure uninterrupted oil flow from the Middle East to America would immediately be countered by Russian military action, in my opinion.

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The irony of this situation is that any military action by the United States in the Middle East would immediately result in practically zero oil supplied to the American public since two things would occur simultaneously:

1. Our military forces moving into the Middle East would require voluminous amounts of petroleum to support a land, sea and air war.

2. All imports from that part of the world to the U.S.A. would be stopped; thus, nothing would be gained and much would be lost.

In addition, it is a moot point as to whether the United States has the necessary petroleum reserves of its own to support a land, sea and air war with conventional weapons against Russia in the Middle East. I for one do not believe we do; thus, we are faced with the possibility, my research reveals, of a limited atomic war being waged in that portion of the world between America and Russia. Next question to ask is -- How long would such a war be a limited atomic war? Not long, in my opinion. Sooner or later one side or the other would begin employing larger and larger atomic warheads to the end that sooner or later any limited atomic war in the Middle East would erupt into a full-blown atomic conflict. Thus, I point out the fool-hardiness of depending upon 30% of our petroleum needs coming from one Arabic dictatorship, namely, Saudi Arabia.

Let's now turn our attention to other Mideast nations, Libya for example. Libya is another Islamic dictatorship situated in the Middle East. Libya is an avowed enemy of Israel. The government of Libya actively supports the Palestine Liberation Organization. The government of Libya actively supports the activities of the P.L.O. It is logical to assume that American dollars flowing into Libya to buy Libyan oil find their way in part into the P.L.O. organization to support that organization's harrassment

of Israel. The United States has broken off diplomatic relations with Libya because of her support of the P.LO. and its terrorists activities. Yet, however, about 1% of all the petroleum USED in America comes from Libya. Oh, you say, this is only 1%. So if that were cut off, we would not lose so much. However, very importantly, Libya supplies more than 25% of the petroleum consumed by our allies in Western Europe and Japan. Should the Libyan government elect to cut off oil supplies to us and to our allies, we would be forced to make up all the shortfall from our own production, thus cutting deeply into domestic petroleum availability. This could precipitate a hue and cry for military invention to solve the problem which, mn my opinion, would in turn precipitate Russian retaliation.

About 10% of all the oil USED in America comes from Islamic nations other than Saudi Arabia, such as Libya.

Our friend and ally, Israel, sits in the middle of this Middle East mess with no oil of her own to use domestically or to sell. It escapes logic for the United States to rightfully support the nation of Israel and simultaneously pump billions of dollars a year into the coffers of her potential enemy, Saudi Arabia and her avowed enemy, Libya. This can do nothing but fan the flames of violence in the area and thus should be stopped.

Russia's petroleum situation, it is interesting to note, is that Russia does not suffer from a lack of present adequate reserves. Her problem apparently, based upon my research, is that she does not possess the necessary technology to extract the deposits she has. The reason for this is that most of Russia's petroleum is deposited in Siberia where extraction is extremely difficult. Ironically, we possess the necessary technology to extract oil from regions similar to Siberia but refuse to share this technology with Russia, thus increasing the internal pressure

in Russia to get a hold on the Saudi Arabian/Iranian and other Middle East reserves.

Finally, if all of the aforementioned were not bad enough, we are faced with a severe transportation problem independent of petroleum, from Saudi Arabia to the United States. Again let me remind you that 30% of all the petroleum that the United States consumes comes from Saudi Arabia. Many years ago, when the United States first began a trickle of imported oil from the Saudis, the tanker route for this importation was through the Suez Canal, Mediterranean Sea and across the Atlantic to America. Since then, the Egyptians closed the Suez Canal. After that occurred, a mad race was undertaken to build super tankers that are too large to fit through the Suez Canal to carry oil out of the southern end of the Red Sea and the Persian Gulf, around the southern tip of Africa, across the Atlantic to the United States. Unfortunately, the exit routes from the Red Sea and Persian Gulf are extremely narrow at the southern end of the Saudi Arabia, particularly on the Red Sea side, and both of these waterways can be easily interrupted by a Russian naval blockade near the Horn of Africa or in southern Iran. Again, this is an added element of our bulnerability of petroleum from the Middle East plus the added curse of being a temptation to the Soviet Union to institute such a blockade whenever they feel like it.

Finally, in looking over the world petroleum situation, I find no other area of the world that is in a position to economically and rapidly supply the United States with the 40% of the petroleum it uses each year as a substitute for Middle East oil.

Islamic kingdoms dominate OPEC. OPEC has in the past (1973 & 1974) cut off their oil supply to America. They can again. The last time this was done we were importing only 30% of our needs. Now it is close to 50% of our needs. The impact of another petroleum embargo by OPEC would be devasting indeed.

As to world oil prices, OPEC again has the power to raise or lower oil prices as it wishes. It can, and will do so, I believe. This plays havoc with our international economy as well as with our domestic economy. We are powerless to stop it. We do not know how to plan for OPEC actions in pricing and supply.

The March 15, 1982 issue of FORBES magazine examines the devasting effects of OPEC policy on our economy and the world's in great detail. This is an extremely well done work and worthy of study and thought.

The Carter Doctrine of the last administration regarding Persian Gulf oil has only shortened the fuse on a military and economic time bomb. It does nothing, I believe, to solve the basic problem.

Clearly, then, the route for the United States to take in enhancing the possibility for world peace is to limit our consumption of petroleum so that all imports can be eliminated and that we will live without our petroleum budget. Lest you think this is an insurmountable task, I shall immediately proceed to outline how this can be done with a minimum of social and economic upheaval. Certainly, a well-planned orderly retreat from petroleum gluttony will be much much less disruptive to the nation than an overt cut-off of imports accompanied with the probability of open warfare. This, in my opinion, should lead the United States not only away from dependency upon imported petroleum but should reduce consumption in sufficient magnitude to guarantee our children and grandchildren a supply of the precious resource, which now based upon present consumption, is not guaranteed at all.

Thus follows is what I propose the United States undertake to conserve petroleum consumption and eliminate importing the stuff.....*RATION PETROLEUM USE*.

Approximately 45% of all the petroleum consumed in the United States is burnt up by the private automobile. I propose rationing gasoline --- 10 gallons per week per registered auto.

This will necessitate some adjustment but should cause no hardship. About 50% of all the driving in the United States is discretionary. This figure is agreed to by most of my colleagues, some of whom hold positions in the General Motors establishment in Warren, Michigan. Naturally, they shall remain nameless. Approximately 50% of all the driving in the United States takes place in autos that weigh in excess of 3,000 lbs. Were this weight figure reduced to 2,000 lbs. or less, great savings could be accomplished. The number of people in the average automobile on the trip to work is 1.5. The average number of people in an automobile on the inter-city trip is about 2.5.

Jack rabbit starting and stopping is common, which wastes gasoline. Automatic transmission waste gasoline. Speeds in excess of about 50 MPH waste gasoline.

Great potential exists, therefore, in car-pooling, rail mass transit utilization and Amtrack inter-city train utilization. Electrified rail mass transit has a BTU advantage over the automobile as presently used of about 40 to 1, in favor of mass rail transit. Besides, no petroleum need be employed in the generation of electricity; we can use coal, the atom, falling water, garbage, etc. to generate electricity.

The United States should limit haulage of freight by inter-city motor truck by about 200 miles, in my opinion. The inter-city motor truck is four times more fuel intensive per ton mile of freight than is the railroad. It is a very good local freight distributing tool but a very poor long haul freight handler from the point of view of energy consumption. The motor truck presently uses 15% of all petroleum consumption in the United States and limiting its delivery route to about 200 miles should cut that consumption by about 50%.

Since the commercial jet airplane consumes approximately two-thirds of its fuel in taking off and reaching its cruising altitude, commercial aircraft usage should be limited, in general, to those flights in excess of 400 miles.

A completely electrified Amtrack system operating in our corridors of heavy passenger travel, such as Boston to Washington, would save much aviation fuel, to add to savings in gasoline used by cars.

Central power plants presently burning oil should be temporarily converted to coal and stay on coal until the utility industry converts its generating capacity from a fossil fuel base of energy to a renewable fuel base of energy.

In short, the United States needs to move in a direction of building a total or semi-total electrical economy, forsaking the internal combustion engine and concentrating on electrical production around those systems which are non-polluting and renewable. These systems are the employment of hydro-electric power, solar power, bio mass power, wind power and atomic energy.

The nation could convert to an electrical nation probably in 20 years employing renewable energy sources if a total commitment to this end were made. Most of the opposition to this approach stems from the transportation industry which employs the internal combustion engine as a prime mover; the primary opposition, of course, emanates from the automobile and motor truck group, which is understandable.

In addition, the electrical approach has an added technological advantage of eliminating the tremendous waste inherent in the gasoline engine where about 85% of the energy is thrown away in exhaust heat and in diesel engine and central power plant where about 60% of the engine is thrown away in waste heat; by upgrading and electrifying our mass transit systems and building new rail mass transit systems where they are needed -- and they are needed in many cities presently, mobility need not be greatly impaired. As a matter of fact, in many instances it will be enhanced.

Industrial nations in the world including Russia and Japan have as their backbone for national transportation the electrified rail system, both local and long distance. The primary reason

for this is that it is vastly more efficient than a comparable highway system. Besides, no petroleum need be used to generate electricity. In America we used to have the greatest mileage of electrified railways of any industrial nation in the world. Today we have the least.

Today, America's total transportation system, except for City Transit and a few miles of Amtrack & Conrail is totally dependent on oil as a fuel and this nation does not have enough of the stuff to support this any longer.

The electric mass transit system is about 40 times more fuel efficient than moving the same number of people by automobile. The inner-city rail system, when properly utilized, is about ten times more fuel efficient than the highway system. Freight railways can haul ton miles of freight for about 1/4 the fuel necessary for the same job by inter-city truck.

It is, thus, clearly to the advantage of the United States to move to an electrical nation, especially in the area of transportation. It is my considered opinion that this is the route to take and that a conscientious effort to move in this direction will materially reduce our dependence upon foreign imported petroleum and, thus, enhance the chances of world peace.

In conclusion, I feel that I am correct in my analysis of the world energy situation which is a highly charged, short-fused, potentially hazardous combination of nationalism, economics, energy and national habits. I feel my recommended actions would go a long way towards defusing the problem.

JB/vl

Jack Brannan

Delivered before The House Subcommittee on Department of Defense Appropriations, August 11, 1982, Room H-140, Capitol Building, Washington, D.C.

APPENDIX

LISTING OF CRITICAL STATISTICS

1. Using 1979 World Consumption as a base, the whole globe will essentially exhaust all of its petroleum deposits in about 50 years from 1981.

2. The United States of America with a population of 6% of the world consumes annually about 30% of all the petroleum consumed on the planet, Earth, each year.

3a. The United States produces domestically about 55% of the petroleum it consumes.

b. The United States imports about 45% of all the petroleum it consumes annually.

4. Sources of imported oil: About 30% of all the petroleum used annually by the United States comes from Saudi Arabia. About 10% of all the petroleum consumed by the United States comes from other Islamic nations. About 5% of all petroleum consumed by the United States comes from other countries.

5. It is estimated that Saudi Arabia alone possesses about 35% of all the world's petroleum deposits.

6. It is estimated that by 1982/83, Russia will become an importer of petroleum.

7. Approximate percentage distribution of petroleum consumption in the United States:

   a) Private automobile about 45%
   b) Intercity motor truck about 15%
   c) Other transportation modes such as airlines, railroads, barge lines and pipe lines about 15%.

   TOTAL TRANSPORTATION 75%

   d) Central electrical generation 10%
   e) Home heating about 10%
   f) Other about 5%

8. Estimated fuel efficiencies of various types of machines:

   a) Average automobile gasoline engine about 15%
   b) Average small diesel engine about 25%
   c) Average large diesel engine about 30%

d) Atomic powered electrical generating station about 35%.
e) Coal or oil-fired central electrical generating station about 40%.
f) Average large commercial alternating current generator about 98%.

9. Energy sources available to the United States:

a) Petroleum -- 45% presently imported. Estimated life of global reserve -- 50 years.
Price -- Expensive

b) Coal -- Estimated American reserves of coal based on 1970 consumption -- 300 years.
Imported - None
Price -- Reasonable (If the consumption of coal continues to increase as it has since 1976, estimated life of estimated reserves must be moved downward from 300 years).

c) Hydro-electric power -- fairly abundant but not used and virtually free.

d) Wind power -- very abundant, especially in Midwest and West; not used, virtually free.

e) Tidal power -- abundant on most coastal areas of America; not used, virtually free.

f) Geo-thermal energy in certain locations of the nation. Very abundant. Close to inexhaustible. Relatively inexpensive -- almost not used.

g) Atomic power -- moderately expensive - adequate deposits of uranium. Safety problems with waste disposal and non-failsafe characteristics of the atomic pile.

h) Solar power -- not used extensively -- free.

10. Approximate Energy Rations by Transportation Mode:

Railway Freight Train Vs. Intercity Motor Freight Carriers: Motor truck uses 4 times the fuel to do the same job as does the freight train measured in ton miles.

Private Automobile Vs. Rail Mass Transit: Private automobile presently about 40 times more energy intensive per passenger mile than rail mass transit.

Private Automobile Vs. Intercity Passenger Train: Private automobile about 10 times more energy intensive than intercity passenger train when said passenger train is loaded to capacity.

11. Estimated percentage of passenger miles developed in intercity travel by mode:

    a) Automobile about 90%
    b) Airlines about 5%
    c) Bus and rail about 5%

12. Estimated percentage of passenger miles developed during trip to work by mode:

    a) Private automobile about 90%
    b) Mass transit about 10%

13. Estimated Annual Cost devoted to Automobiles in the United States:

    a) Average national cost per mile to purchase, finance, insure, care and feed the average automobile is about 50 cents per mile.

    b) Estimated annual average cost to own, care and feed the average automobile is about $5,000/per year.

14. The average middle-class family owns approximately two (2) automobiles per family -- estimated approximate annual average cost per family -- $10,000.

15. Average cost per mile presently charged by mass transit systems for one passenger is about 7 cents per passenger mile.

* * *

WEDNESDAY, AUGUST 11, 1982.

ECONOMIC IMPACT OF PRESIDENT REAGAN'S MILITARY BUILDUP

WITNESS

STEPHEN DAGGETT, COALITION FOR A NEW FOREIGN AND MILITARY POLICY, COUNCIL ON ECONOMIC PRIORITIES

Mr. DICKS. Mr. Stephen Daggett, Coalition for a New Foreign and Military Policy, Council on Economic Priorities.

STATEMENT OF MR. DAGGETT

Mr. DAGGETT. Thank you very much for the opportunity to testify to you today. Also, on behalf of the Coalition for a New Foreign Military Policy, a coalition of some 50 organizations, let me thank you very much for providing the opportunity for so many public witnesses to present statements before you.

It is especially important a committee such as this is willing to hear from so many citizens at a time when public concern about military issues, especially issues concerning the nuclear arms race is so great and growing.

I am here today to present material on behalf of the Council on Economic Priorities, which is an economic research organization in New York City. We at the Coalition along with the International Association of Machinists, the union which represents more defense workers than any other union in the country, recently commissioned the Council to do a study for us of the long-term economic impact of the military buildup being proposed by the Reagan Administration.

Rather than present a new statement at this time, we decided to submit that entire, though brief, study to you for the record. That is what you have in front of you.

I should mention the Council is currently engaged in a series of longer and much more detailed studies of the issues raised in the report which you have and the results of those studies will be published in the winter.

This report which you have has already received some amount of attention in the media and in the Congress, and we hope that this committee will give special attention to the issues that it raises; but although the question of the economic impact of military spending has certainly been a matter of some public debate, we are concerned the Administration has attempted to dismiss some potentially serious problems rather too easily.

MILITARY SPENDING AS PART OF THE GNP

While it is true that military spending currently takes up a smaller portion of gross national product than it has in much of the post-war period, this in no way should reduce our concern about the impact of the projected military buildup which is now under way. For one thing, the economy is simply not as healthy now as it was prior to earlier similar military buildups. It is generally acknowledged now that the Vietnam buildup coming as it did at a time when other government spending was also rising contributed to a high base rate of inflation which it has been difficult for us to bring down.

Before the buildup, in 1965, however, the inflation rate was just 1.5 percent. Unemployment was less than 5 percent, and gross national product in 1965 grew at a rate of 6 percent.

More than that, the basic industrial base was very strong. It will be much more difficult under current economic conditions for us to absorb a similar military increase.

Second, the Administration, we believe, has tended to underestimate the added proportion of gross national product which will go to military spending under its proposal since it has tended to overstate the rate of growth in the overall economy during this period of time, as those of you now asked to vote for an increase in taxes, I am sure, are aware.

Over five years, the Administration officially projects military spending rising from 5.3 percent of gross national product in 1981 to 6.7 percent in 1986, a 1.4 percent increase in the share devoted to the military, but it assumes a 4 percent per year annual growth rate.

If we assume instead a 2 percent per year growth rate which may itself be optimistic, military spending will reach 7.5 percent of gross national product by 1986, which is a 2.2 percent increase in the GNP share devoted to the military. That is comparable to the increased share devoted to the military during the Vietnam era buildup.

CONCERNS ABOUT MILITARY SPENDING

Third, the bulk of this buildup is concentrated on military procurement, not on pay or on operations and maintenance as was the case during the Vietnam era buildup.

This expenditure on military procurement is precisely what has the largest impact on the economy. The Administration, as I will point out and as I am sure you are aware, proposes that budget authority for military procurement will grow from $35.5 billion in fiscal year 1980 to $89.6 billion in fiscal year 1983, which is 2.5—2.5 times larger once inflation is taken out.

We think we should be aware of—pay special attention to the impact on the economy in three basic areas. First of all, we are concerned that this rate of increase in military spending could interfere with our long-term efforts to restore international competitiveness. The resources which will be devoted to the military come especially in areas of high technology, but investment in high technology, sunrise industries, as communists call it, is especially important if we are going to increase our ability to compete with the

Japanese and Germans and other major industrial powers in coming years.

Second, we are concerned about the job impact of this rate of increase in military spending at a time when the base rate of unemployment remains very high. One billion dollars invested in military production in 1980 dollars would create 29,402 jobs according to statistics from the Bureau of Labor Statistics.

The same amount invested in mass transit on the other hand would create 45,397 jobs.

Third, we are concerned this rate of increase in military spending holds the potential to squeeze off economic recovery. The bulk of the outlays in military spending which will be created due to funds now being authorized will come not this year or even next, but in 1984 and 1985 and 1986, precisely the time when unemployment should be declining, rates of investment in other kinds of industries should be increasing, and we are concerned that devotion of a large amount of resources into the military could squeeze off the ability of the country to devote resources into these other areas which are essential to our long-term economic health.

We do understand there are trade-offs involved here. It is important that the United States make an adequate investment in military protection—spending to provide for its own security. But we think there is an assessment of risks and costs involved here. What we need to do is carefully assess the risks that we face and treat military spending like insurance.

We don't want to put so much money into insuring ourselves against unlikely though potentially disastrous risks internationally at the cost of interrupting ourselves. We think that we are in danger of doing very great damage to the economy and it is probably too high a price to pay.

[The document "The Costs and Consequences of Reagan's Military Buildup" follows:]

The Costs and Consequences of Reagan's Military Buildup

by
Robert DeGrasse Jr.
with
Paul Murphy
and
William Ragen

A Report to
The International Association of Machinists and Aerospace Workers, AFL-CIO
and
The Coalition for a New Foreign and Military Policy
from
The Council on Economic Priorities

$2.50

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Generous organizational commitment, substantive review, and careful editing were provided by Stephen Daggett, Richard Greenwood and Alice Tepper Marlin.

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Cynthia Washington produced the charts and was responsible for the handsome design and layout, which could not have been achieved without the patience and assistance of Grimwood's Typesetting.

The following individuals deserve many thanks for their comments, criticisms and support: Gordon Adams, David Blond, John Braund, David Brooks, George Brown, Jr., James Capra, Carol O'Cleireacain, David Cortright, Marta Daniels, Beth Cohen DeGrasse, David Doerge, Lloyd Dumas, Michael Edelstein, James Fallows, John Kenneth Galbraith, William Hartung, Robert Heilbroner, Franklyn Holzman, Bruce Carver Jackson, Mary Gardiner Jones, Richard Kaufman, Betty Goetz Lall, Milton Margolis, Vice Admiral John Marshall Lee (Ret.), Jacqueline Mazza, David McFadden, Seymour Melman, Crosby Milne, Lee Price, Nancy Ramsey, Leon Reed, Lee B. Thomas, Jr., Lester Thurow, James Treires, Paul Walker and Edie Wilkie. They are responsible for many of the best features of this report and liable for none of its faults.

Finally, the Council on Economic Priorities is deeply indebted to the following individuals, organizations and foundations for their financial assistance in supporting this project: John Harris IV, the International Association of Machinists and Aerospace Workers, Joint Foundation Support, John and Elizabeth Morse, the North Shore Unitarian Veatch Program, the Ottinger Foundation, the Louise L. Ottinger Charitable Trust, the Reed Foundation, the Samuel Rubin Foundation, and two special anonymous donors.

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INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

MACHINISTS BUILDING, 1300 CONNECTICUT AVENUE, WASHINGTON, D. C. 20036
Area Code 202—857-5200

Office of the INTERNATIONAL PRESIDENT

March 8, 1982

The IAM joined in commissioning this study for two reasons. First, as a trade union whose membership includes a large number of workers engaged in military production and maintenance of our national security forces, we have a duty and obligation to provide those members with objective information, which will enable them to think about and act upon the war-peace issues, free from employer intimidation and fear of job loss.

Secondly, we owe it to all of our members — their families, their communities and, indeed, the nation at large — to provide the means for rational and informed discussion on the impact and consequences of the staggering costs of the arms race. It is they and ordinary working people everywhere, who are bearing the oppressive burdens and sacrifices exacted by mega-military budgets.

As this analysis demonstrates, a militarized economy may very well expose the soft underbelly of America. We commend this study to all who are interested in genuine national security and the peace and prosperity of the nation.

William W. Winpisinger
INTERNATIONAL PRESIDENT

PRIORITY 1 ORGANIZE

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COALITION

For a New Foreign and Military Policy

120 Maryland Ave., N.E., Washington D.C., 20002
(202) 546-8400

March 8, 1982

The Coalition for a New Foreign and Military Policy has long been concerned that an open-ended commitment to high military spending reflects a foreign policy which is destructive of our long range interests and inimical to our social values.

The current Administration's plan for the largest peacetime military build-up in our history carries with it some serious dangers to our national security — the danger of a frightening new arms race in weapons for nuclear war-fighting; the danger of escalating involvement in conflicts which require political rather than military solutions; and the danger of a policy toward poorer nations which ignores the need for human rights and social justice.

The Coalition is also concerned that spiraling military spending may be destructive of our well-being and of our social values at home. The recent ills of our economy have helped to undermine our sense of security and to erode our society's commitment to provide decently for our most disadvantaged citi-
vi zens.

We believe that this important study will contribute to a deeper public understanding of the high price we pay for investment in weapons at the expense of investment in our people.

Gretchen Eick,
United Church of Christ,
Legislative Representative
Coalition Co-Chair

Donald Ranard,
Director, Center for
International Policy
Coalition Co-Chair

The following organizations are members of the Coalition: American Baptist Churches USA, National Ministries • American Friends Service Committee • Americans for Democratic Action • Business Executives Move for New National Priorities • Center for International Policy • Center of Concern • Chile Legislative Center • Church of the Brethren, Washington Office • Christian Church (Disciples of Christ) Department of Church and Society • Church Women United • Clergy and Laity Concerned • Council on Hemispheric Affairs • Democratic Socialist Organizing Committee • Episcopal Peace Fellowship • Fellowship of Reconciliation • Friends Committee on National Legislation • Friends of the Earth • Friends of the Filipino People • Institute for Food and Development Policy • Jubilee, Inc./The Other Side • Mennonite Central Committee U.S. Peace Section • Movement for a Free Philippines • National Assembly of Women Religious • National Association of Social Workers • National Council of Churches • National Federation of Priests' Councils, USA • National Gray Panthers • National Office of Jesuit Social Ministries • NETWORK • SANE • Sisters of St. Joseph of Peace • Union of American Hebrew Congregations • Unitarian Universalist Association • Unitarian Universalist Service Committee • United Church of Christ, Board for Homeland Ministries • United Church of Christ, Office for Church in Society • United Methodist Church, Board of Church and Society • United Methodist Church, Board of Global Ministries, Women's Division • United Presbyterian Church, USA, Washington Office • United States Student Association • War Resisters League • Washington Office of the Episcopal Church • Washington Office on Africa • Washington Office on Latin America • Women's International League for Peace and Freedom • Women Strike for Peace • World Federalist Association • World Peacemakers • Young Women's Christian Association of the USA.

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Introduction

. . . the whole army and navy, are unproductive labourers. They are the servants of the public, and are maintained by a part of the annual produce of the industry of other people. Their service, how honorable, how useful, or how necessary soever, produces nothing for which an equal quantity of services can afterwards be procured.

Adam Smith
The Wealth of Nations

Since Adam Smith, economists have warned that if resources such as capital and labor are used for production of 'guns,' fewer will be available to produce 'butter.' Opportunities to create and strengthen civilian industries are sacrificed when resources are diverted to the military. This traditional economic logic has statistical support. The Council on Economic Priorities found that, when comparing the economic performance of 13 major industrial nations over the past two decades, those countries that spent a smaller share of economic output on the military generally experienced faster growth, greater investment and higher productivity increases. Those, like the United States, that carried a heavier military burden had poorer economic performance.

For years after the end of World War II, the American economy appeared capable of sustaining high arms budgets. In the last decade, however, the accumulated effects of heavy military spending—particularly from the Vietnam war—helped to slow economic growth, push inflation higher and leave many unemployed. Considering our continuing economic problems, President Reagan's proposal to undertake the largest peacetime military buildup in our history deserves careful scrutiny.

Will spending **$1.6 trillion dollars** over the next five years make us safer from military threats? The administration's buildup primarily increases the number of high technology weapons we buy but fails to redefine military policy. The sophisticated weaponry being purchased by the Pentagon is often unreliable and typically costs more than twice the initial estimate. This makes accurate budget planning difficult and decreases the funds available for training and maintenance. Decisionmaking at the Pentagon is largely controlled by a self-reinforcing network of Defense Department procurement officers, military contractors and members of Congress from defense-dependent districts—an 'iron triangle' of interlocking interest. Mismanagement alone accounts for $10 to $30 billion a year in Pentagon waste according to the President's budget director, David Stockman.

The administration's case for expanded arms spending rests largely on the assertion that the Soviet Union has spent considerably more than the United States on the military over the past 10 years. Yet when comparing total North Atlantic Treaty Organization spending with the Warsaw Pact, we come to the *reverse* conclusion, even using the controversial Central Intelligence Agency estimates. Additional funds for the Pentagon will not create a coherent defense policy, reform procurement practices or eliminate Pentagon waste. 'Throwing money' at defense is no more justifiable than throwing money at social problems.

The economic consequences of buying more weaponry will be substantial. Jobs, investment, and economic growth will be sacrificed. Technological progress will be distorted. And social programs aimed at decreasing human suffering will be cut. The high technology sector, an industry important to future American economic growth, will be hardest hit by the arms increases. Even before the buildup, electronics and aerospace firms supplying the weapons industry were functioning close to their limits. Now the administration has called on industry to increase weapons output faster than during the Vietnam war. To produce the substantially

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greater number of sophisticated jet fighters and missiles the Pentagon is asking for, these companies must compete against civilian firms to obtain scarce resources such as technically skilled labor, key subcomponents and rare metals. Pitting military demands against civilian production will drive up prices as the economy recovers from the present recession, and could stifle the ability of U.S. technology firms to compete internationally.

Expanded military spending will not help solve our unemployment problem. Jobs created by arms production will go primarily to technically skilled personnel; few will be created for the semi-skilled workers most in need of jobs. And the regional imbalance of military spending will continue to shift employment from the older industrial regions of the northeast and midwest to the sun belt.

Social costs will also be high. The Reagan administration's budget represents the most dramatic shift of national priorities since the Second World War. By severely reducing the civilian budget, the government will drastically limit investment in job-creating areas like safe energy production, the railroads, housing and mass transit. Reductions in human service programs will add to the hardship of the nation's poorest citizens. Over 60 percent of those below the poverty line receive almost no assistance from 'social safety net' programs.

Thus the American people should not be asked to bear the burden of this vast buildup without a thorough review of U.S. defense policy.

2

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Overloading the Economy

President Reagan plans to increase military spending by 52.8 percent between 1981 and 1986 in inflation-adjusted, constant dollars (Chart I). When measured from the trough to the peak of the administration's plan, this expansion would be greater—by 6 percentage points—than the Vietnam war buildup (1965-1968), which is widely blamed for starting the inflation we are still trying to stop.

The largest budget additions will go for new weapons, rather than for personnel or for operations and maintenance. Pentagon officials are asking for major increases in procurement of jet aircraft, tactical missiles, tanks and ships. They are also expanding the buildup of nuclear forces. Authorizations for arms procurement are slated to grow by over 90 percent in constant dollars between 1980 and 1983, versus about 60 percent during the Vietnam mobilization (Chart II). These new military contracts could have a dangerously inflationary impact as we recover from the recession.

While Reagan's buildup will differ in impact from either the Vietnam or Korean war experiences, comparisons are enlightening. The Korean war required a quick and dramatic mobilization of soldiers, leading to a squeeze on the civilian labor force and high (but short lived) inflation. The Vietnam mobilization, while smaller than the Korean buildup, had a similar effect because arms production expanded when the economy was already performing at close to peak capacity. The inflation rate more than doubled between 1965 and 1968 (1.7 percent to 4.2 percent), because new defense demands were added to an already hot economy.[1]

Administration economists contend that we can absorb substantial new military spending this time because the recession has idled many industries and created high unemployment. Unlike Vietnam or Korea, they believe sufficient resources can be diverted to arms expansion without stimulating new inflation.[2]

Contrary to administration predictions, however, CEP expects that the production bottlenecks and federal deficits resulting from the arms buildup will create serious consequences for the economy. The fact that the economy is soft right now is not the issue. As we climb out of the recession, backlogs in key military-related industries will bid up prices in the high-technology sector. Soaring federal deficits, required to finance the buildup, will help push interest rates back to record level, squeezing out new investment.[3] These problems could short-circuit economic revitalization and lead to renewed inflationary pressures.

Overheating Military Industries

Rapidly increasing military demands, and its ensuing inflation, could distort prices in high technology fields such as information processing and civilian aerospace. As military needs bid up prices, U.S. high-tech products will become less competitive in a rapidly changing international marketplace, significantly damaging a sector many economists hope will provide a stimulus for growth during the 1980s.

The limited supply of highly skilled workers and specialized subcomponents severely constrains the production of high technology military products. Ever since former President Carter announced his military increases in January 1980, grave concern has been expressed about the ability of defense contractors to fill new Pentagon orders. "Serious bottlenecks and choke points . . . adversely affect the Defense Department's ability to procure military equipment in a timely, efficient and economical manner," reported the Defense Industrial Base Panel of the House Armed Services Committee during the fall of 1980.[4] While the

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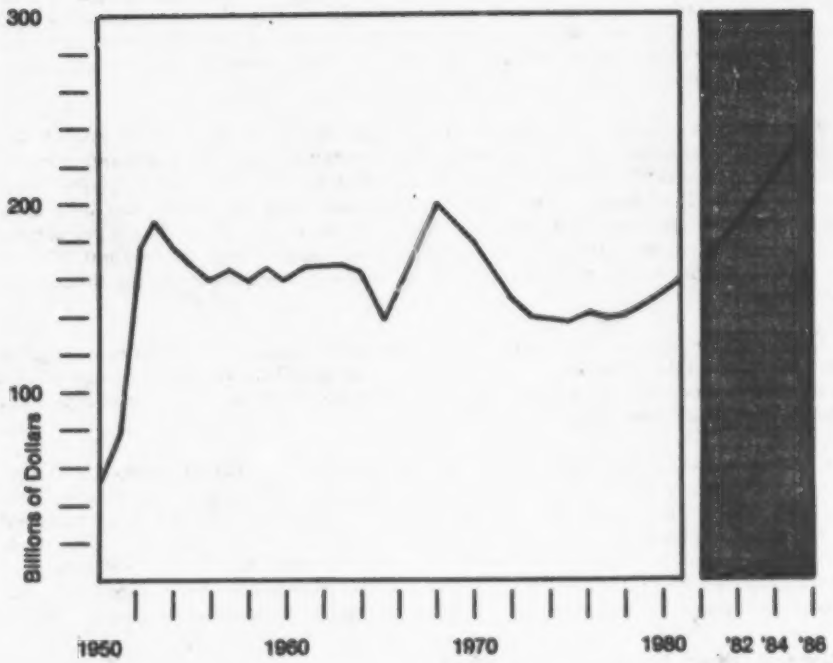
Chart I

Defense Function Outlays 1950-1980 and Projected 1981-1986

(Constant 1982 Dollars)



Source: Office of Management and Budget, *Federal Government Finances*, March 1981. Converted to 1982 dollars with Department of Defense Deflators.

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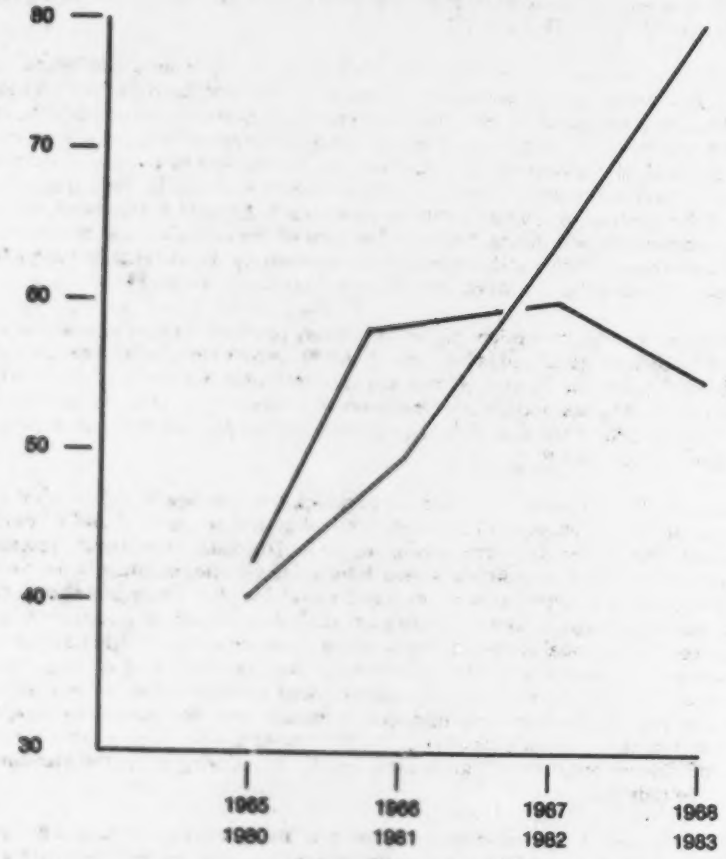
Chart II

Department of Defense
Procurement Budget Authority
Vietnam vs. Reagan Buildup

(Billions of Constant 1982 Dollars)



Source: James R. Capra, "The National Defense Budget and Its Economic Impacts," *Quaterly Review*, Federal Reserve Bank of New York, Summer 1981, Volume 6, No. 2, p. 29. Press Release, "FY 1983 Department of Defense Budget" (Washington, D.C., February 8, 1982).

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"prime" military contractors report that they can handle additional work, they are held up by long wait times for subcomponents and raw materials.

Backlogs in subsystem production attest to the stresses on critical industries supplying defense contractors. For example, the delivery span for aluminum forgings grew from 20 to 120 weeks during the previous four years according to a summer study panel of the Pentagon's Defense Science Board. Wait times for aircraft landing gear increased from 52 to 120 weeks over three years. And the wait for integrated circuits expanded from 25 to 62 weeks in two years.[5] Unfilled defense orders totalled $63 billion early in 1981, up 30 percent from last year and 80 percent since early 1978 (Chart III).

Arms production has also created a "sellers market" for highly trained employees. The Armed Services Committee panel found during the fall of 1980 "that 'head hunters' are being paid $1,000 or more for recruiting engineers and computer professionals, machinists, and other skilled workers . . . " At a time when aerospace employment is approaching levels attained at the peak of the Vietnam war,[6] the National Tooling and Machining Association (NTMA) estimates that there is a shortage of 60,000 skilled workers. By 1985, the NTMA predicts that the number of unfilled positions could reach 250,000.[7] A Lockheed Aircraft Company executive testified during 1980 that "in spite of the recession and its attendant unemployment, there remains a shortage of skills needed by the defense industry. The shortage leads to competition for labor and an upward pressure on costs."[8]

These pressures have pushed prices higher for military products. Recent estimates of the inflation rate for defense goods range between 10 and 20 percent.[9] In specific areas, the rates are considerably higher. The Defense Science Board panel found that cost increases in major subsystems like jet engines and electronic memories ranged from 14 to 35 percent for 1979-1980. And for critical raw materials like titanium and copper, inflation was anywhere between 38 and 650 percent.[10]

6

While each of these problems—production backlogs, the shortage of skilled labor and defense inflation—subsided somewhat during 1981, they will reappear if and when the economy rebounds from the current recession. Measures of the slack created by the recession could be misleading. Many economists believe there are fewer idle resources in the overall economy than statistics indicate because much of the available plant and equipment stock is uncompetitive with foreign factories. "There's less slack than the capacity utilization index suggests," according to Nobel prize-winning economist Lawrence Klein. "Right now there's a lot of non-competitive slack, that is, slack in industries that are not producing as competitively as they should."[11] Much of the competitive capacity, and available skilled labor, is already being used in high-technology industries like aerospace and computers. As weapons production increases, supply-side constraints on skilled labor and productive capacity could mean that inflationary pressures will grow more rapidly than during either the Vietnam or Korean War periods.[12]

Inflationary pressures in supplier industries could dramatically increase the cost of Reagan's buildup. If the administration's highly optimistic inflation estimates are just a few points too low, additional costs could add *$136 billion* to the administration's five-year defense program, according to the Congressional Budget Office.[13] There is good reason to suspect that the estimates are understated because actual price increases have substantially exceeded budget estimates since 1977 (Chart IV).

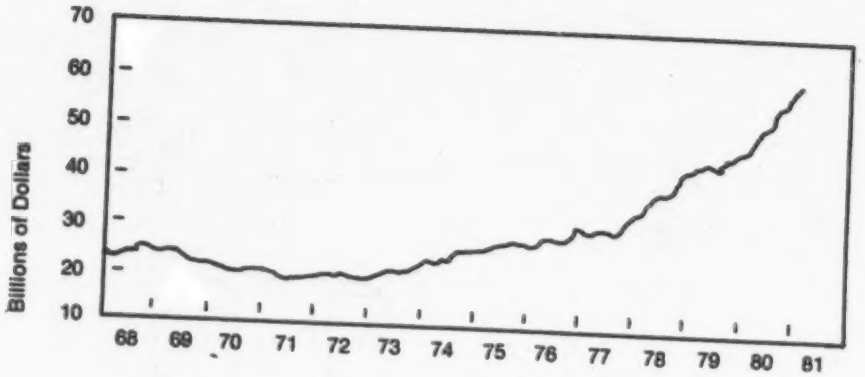
High Deficits Squeeze Investment

In addition to overloading supplier industries, the military buildup may "crowd out" new investment by requiring substantial deficit financing at a time when the Federal Reserve is

Chart III

Unfilled Orders for Defense Products of Manufacturers

(Billions of Dollars)



Source: Henry Kaufman, "The Potential for Conflict in National Policies and Financial Markets" (New York: Salomon Brothers, April 1981).

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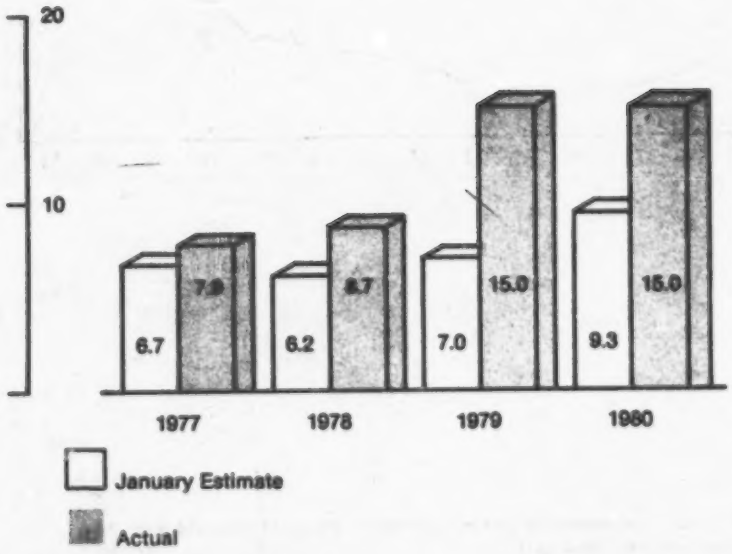
Chart IV

Department of Defense Purchase Price Inflation

1977-1980

(Percent)



Source: John R. Quetsch, Department of Defense Comptroller, in *Aviation Week & Space Technology*, April 13, 1981, p. 26.

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keeping a tight grip on the money supply. In the fall of 1980, the Pentagon asked five major forecasting firms—Data Resources, Inc. (DRI), Wharton Econometric Forecasting Associates, Merrill-Lynch Economics, Evans Economics and Chase Econometrics—to predict the impact of substantially raising the military budget.

All agreed that the most dangerous problem was slower investment as a result of increased federal borrowing to cover the military increases. "The real danger from uncompensated increases in defense spending is not inflation, per se, but rather the reaction of the capital markets to the possible enlarged federal government deficits," according to a Pentagon summary.[14] This possibility deeply worried symposium participants because they believe heavy investment in new equipment and facilities will be required to improve U.S. production efficiency and, ultimately, competitiveness. Without new investment, higher trade deficits and inflation could follow.

More recently, a simulation of Reagan's economic program performed by DRI in October 1981 showed the administration's military budget adding $62 billion to the cumulative federal deficit between 1982 and 1986, above and beyond the high deficits created by a relatively moderate military buildup.[15] While deficit spending provides some stimulus for recovery during a recession, if heavy federal borrowing for arms production persists after the recession ends, civilian investment and long-term economic growth could suffer dearly.

Can the Economy Absorb the Buildup?

Administration officials have advanced three reasons why they believe that their buildup does not pose as great a threat to the economy as the Vietnam war did. First, the share of gross national product (GNP) devoted to the military is lower now than it was prior to the Vietnam mobilization (5.3 versus 7.2 percent of GNP). Second, the additional share of GNP devoted to defense will be smaller than during Vietnam. And third, the Vietnam buildup occurred over three years, while the present administration plans to spread their buildup over five.[16] In each case, their analysis is flawed.

While the military's share of GNP was higher before the Vietnam war, the economy was much stronger in 1965 than at present. Inflation was only 1.7 percent in 1965 and real GNP growth reached 6.0 percent.[17] In 1981, the economy was plagued with continued high inflation *and* the second recession in two years. Although the share of American GNP spent on the armed forces has declined since Korea (Chart V), the U.S. military burden over the past two decades has remained consistently higher than those of our industrial competitors (see next chapter). As a result, our trading partners have been able to devote greater resources to civilian investment and research and development—giving them an increasingly potent competitive advantage over U.S. firms in the world economy.

Second, Reagan administration officials base their estimate that the buildup will only require an additional 1.4 percent of GNP on the now discredited assumption that the economy will grow an average of 4.0 percent each year from 1981 to 1986. If growth averages a more pessimistic 2.0 percent through 1986,[18] the military's share of GNP will expand, instead, by 2.2 percent (Chart VI). These estimates compare with the additional 2.2 percent of GNP required to fight the Vietnam war. If the military consumes a greater share of GNP, it would further squeeze investment capital and slow economic growth.

Finally, when similar three year periods (1982-85 versus 1965-68) are compared, the administration's proposed buildup, though less dramatic than the Vietnam experience, is still substantial. In constant dollars, military spending is predicted to rise 33.5 percent between 1982 and 1985, compared to 46.7 percent during the Vietnam mobilization. The increase in GNP spent on defense will likely be around 1.5 percent compared to 2.2 percent during

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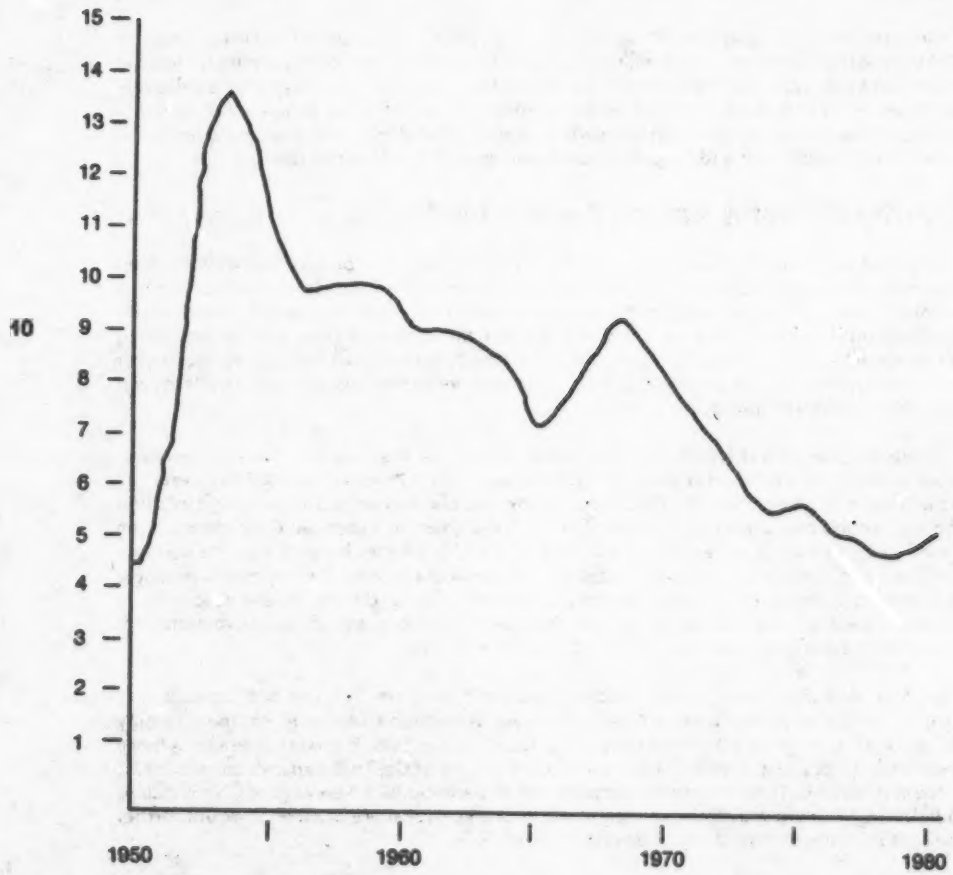
Chart V

National Defense Outlays as a Share of Gross National Product

1950-1980

Percent



Source: Office of Management and Budget, *Federal Government Finances*, March 1981.

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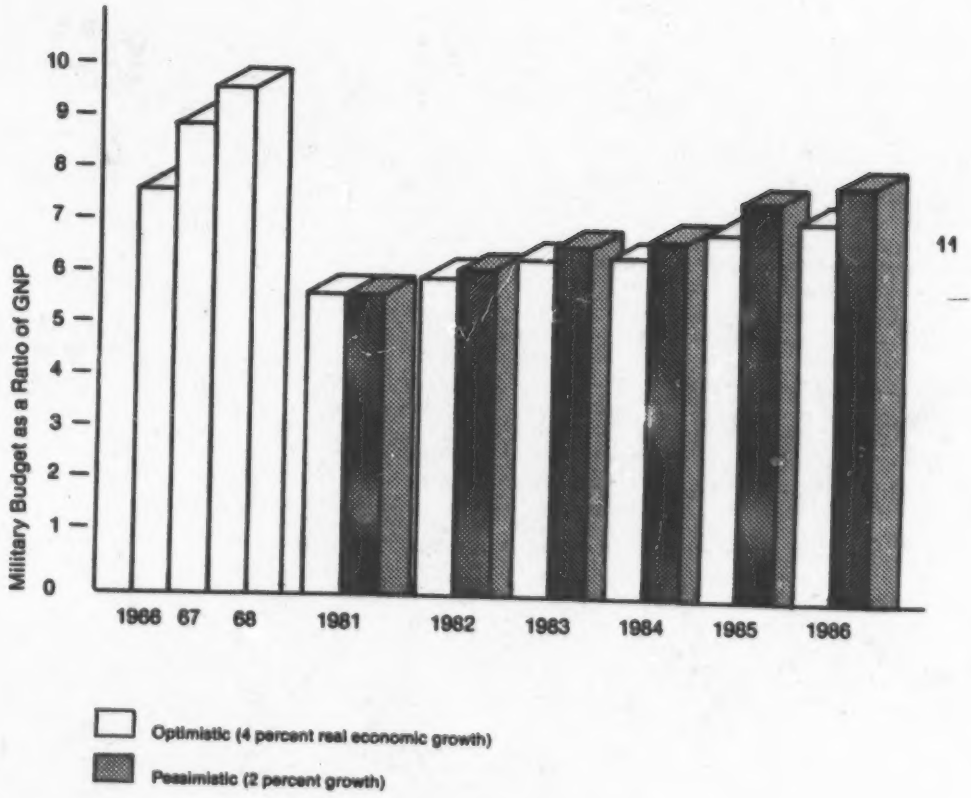
Chart VI

Increase in the Percentage of GNP Spent on the Military: Optimistic and Pessimistic Prediction



Source: Office of Management and Budget, *Federal Government Finances*, March 1981.

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Vietnam. By stretching out the arms buildup, we are also establishing a higher base level of military production that could persist throughout the decade—further limiting resources available to the civilian sector.

• • •

Based on the comparisons presented above, the Council expects the impact of Reagan's buildup to be substantial because our economy is not prepared to absorb the dramatic increase in weapons production the Pentagon proposes. At a time when U.S. industry is becoming less and less competitive with foreign manufacturers, continued high inflation and low investment are particularly high prices to pay for expanding military production. If we hope to reduce unemployment and stimulate new economic growth, these problems must be solved.

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Declining Competitiveness

President Reagan has undertaken the largest sustained peacetime arms buildup in our history at a time when U.S. economic growth is lower than it has been in four decades. In large measure, American economic decline has resulted from slipping international competitiveness. Since their heyday in the 1960s, American companies have lost important segments of the auto, steel and commercial electronics markets to foreign competitors like Japan and West Germany. Aging U.S. industrial plants and equipment have become less efficient than their newer foreign counterparts. Inefficient U.S. firms pass along higher costs to consumers, fueling inflationary pressures. And American jobs are lost when the American-produced share of international and domestic markets declines.

During the 1970s, U.S. firms lost a substantial share of world manufacturing trade, dropping from about 21 to 17 percent. This decline came even after a major depreciation of the U.S. dollar that made American exports cheaper and foreign imports more expensive.[19] At home, the portion of total U.S. manufacturing sales supplied by American firms dropped more than three percent (from 96 to about 93 percent). While this decline seems small, it cost the economy roughly $125 billion in lost production and more than 2 million industrial jobs during the 1970s.[20] In key sectors, like autos, steel, farm machinery, consumer electronics and machine tools, U.S. firms have lost large shares of their domestic markets since 1960. These and other sectors, including the aircraft industry, were also big losers in the international arena (Table I).

Military Spending Sacrifices Economic Performance

The military burden, in CEP's view, has significantly contributed to America's declining competitiveness. While not the only cause of our decreasing efficiency, economic performance has suffered because the United States devoted a larger share of its output to the military than its competitors. As a result, fewer dollars were available to modernize outdated industries and develop new products. Devoting over 20 percent of the nation's scientists and engineers to military research and production has distorted technological progress and also contributed to poor economic performance.[21] 13

We evaluated the effect of military spending on economic performance over the past twenty years by comparing the records of 13 advanced industrial nations: the United States, Canada, Austria, Belgium, Denmark, France, West Germany, Italy, the Netherlands, Norway, Sweden, the United Kingdom, and Japan.

The Council found that those nations spending a larger share of their gross domestic product (GDP)* on the military generally experienced slower economic growth than those which spent less (Chart VII). The United States, for example, devoted the highest average percentage of GDP to the military while experiencing the *third lowest* growth rate. This trend was found to be "statistically significant" (see the Statistical Appendix).

While these are important results, we do not want to overstate their implications. Statistical testing only measures how closely these variables are associated, it does not explain *why* they correlate. For example, the stagnation and decay of the British economy is only partially due to military spending. Also, there are some important exceptions in our analysis. France maintained relatively high economic growth and heavy military spending over the past 20 years. Denmark, on the other hand, had relatively low growth and limited military spending.

*Gross domestic product (GDP) is preferred for international comparisons. It is the same as gross national product (GNP), except that it excludes imports and exports.

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Table I

Key Industries Which Have Become Less Competitive . . .

. . . In US Markets

	Ranked by Total Sales of Industry Percent of Market		
	1960	1970	1979
Autos	95.9%	82.8%	79.0%
Steel	95.8	85.7	86.0
Electrical Components	99.5	94.4	79.9
Farm Machinery	92.8	92.2	84.7
Consumer Electronics	94.4	68.4	49.4
Metal-Cutting Machine Tools	96.7	89.4	73.6
Metal-Forming Machine Tools	96.8	93.2	75.4
Textile Machinery	93.4	67.1	54.5

. . . In World Markets

	Ranked by Size of U.S. Exports Percent of World Exports		
	1962	1970	1979
Motor Vehicles	22.6%	17.5%	13.9%
Aircraft	70.9	66.5	58.0
Telecommunications	28.5	15.2	14.5
Metal-Working Machinery	32.5	16.8	21.7
Agricultural Machinery	40.2	29.6	23.2
Hand or Machine Tools	20.5	19.1	14.0
Textile & Leather Machinery	15.5	9.9	6.6
Railway Vehicles	34.8	18.4	11.6

Source: "The Reindustrialization of America," *Business Week*, Special Issue, June 30, 1980, p. 80.

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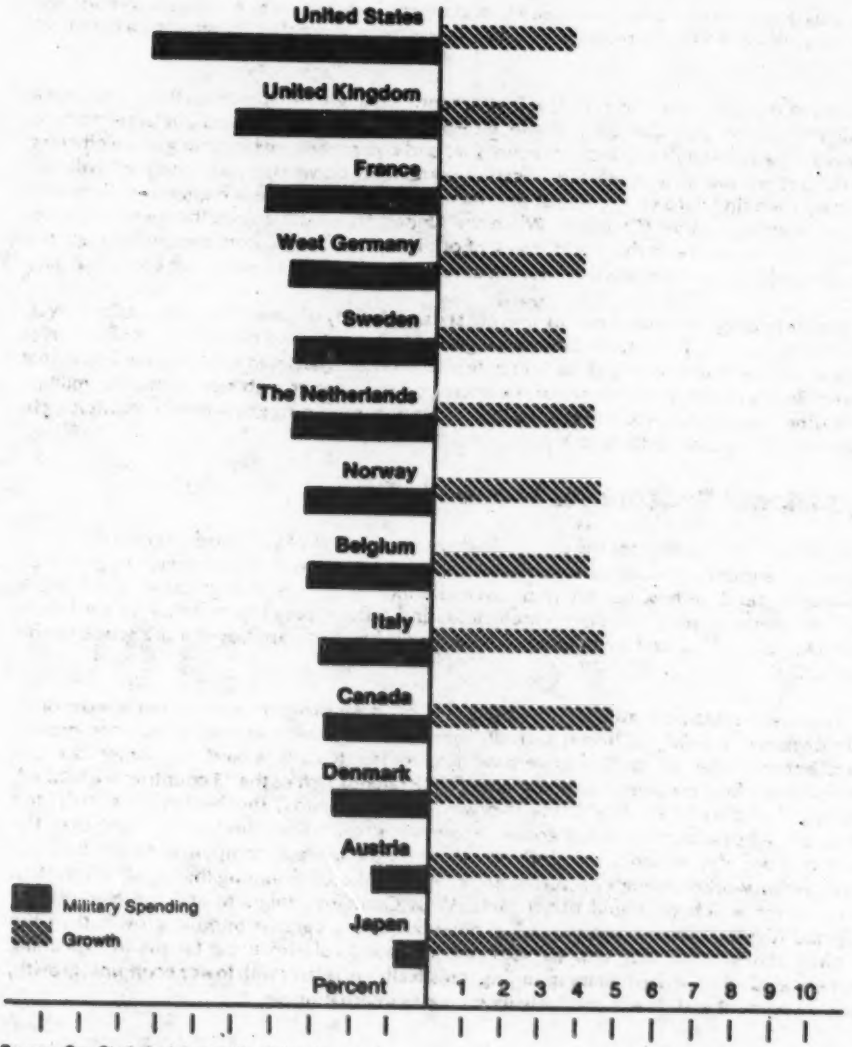
Chart VII

Military Spending as a Share of Gross Domestic Product vs. Real Growth in Gross Domestic Product

(Average Percent, 1960-1979)



Source: See Statistical Appendix, Table AI.

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Thus we are *not* implying that military spending is the only factor influencing economic growth.

How could higher military spending decrease economic growth? The most reasonable explanation is the negative relationship we found between capital investment and spending for arms. New, more efficient plants and equipment are critical to improving the competitiveness and long-term growth of U.S. industry. Yet military spending negatively correlates with fixed capital investment as a share of GDP in our comparison of 13 western industrial nations (Chart VIII). The United States investment level ranks *last* in this comparison. CEP's results update similar findings by R.P. Smith of the University of London (1977) and Bruce Russett of Yale (1970). As Russett concluded:

> Our data show that investment (fixed capital formation) is typically hard hit by American war efforts; with its consequence of a smaller productive capacity in later years, diminished investment is a particularly costly loss.[22]

One of the principal effects of low investment is slow growth in productivity. The rate at which output per manufacturing employee—productivity—grows reflects, in large measure, how rapidly a country's production techniques and equipment are becoming more efficient. Here too, we found a significant negative correlation between productivity growth and military spending. Growth in output per manufacturing employee is higher in nations with lower military burdens (Chart IX). While the United States still enjoys the highest level of output per employee in the world, many of our industrial competitors are catching up; our yearly productivity increase was the *lowest* among the 11 nations for which we could find data.

Similar findings were obtained in a recent statistical study of seven industrial nations (West Germany, Canada, France, the United Kingdom, Italy, Japan and the U.S.) by Bruce Carver Jackson of the Wall Street banking firm of Brown Brothers Harriman & Co. He too found that higher levels of defense expenditures correspond to lower growth rates. "Indeed, military spending diverts resources and distorts their allocation, hindering growth and contributing to inflation," according to Jackson.[23]

Additional Reasons for Economic Decay

Other possible causes for the decreasing competitiveness of U.S. products include: 1) the growing tendency of corporate managers to forsake long-term investments because their salaries depend on how quickly they can make money; 2) high energy prices which make older—energy wasting—machines inefficient; and 3) the expanding personal tax burden, or "bracket creep," caused by inflation. These issues, however, are beyond the scope of this pamphlet.

While some blame high wages and the cost of social programs for declining economic performance, we *did not* find statistically significant negative correlations between growth and either wages or civilian government spending (Charts X and XI). American civil government final consumption as a share of GDP ranked *11th* of the 13 countries we studied, trailing Denmark, Canada, Austria, Norway, West Germany, the Netherlands, Italy and Belgium, all of which managed greater economic growth than the United States over the past two decades. American wages—measured by the average compensation per hour for production workers in manufacturing since 1960—ranked fifth among the 10 major industrial nations for which we could obtain data. West Germany, Belgium, and the Netherlands all had higher levels of compensation per hour and greater economic growth than the United States. While our analysis does not rule out a role for these factors in explaining America's decline, **only military spending statistically correlates with lower economic growth, less investment and slower productivity increases internationally.**

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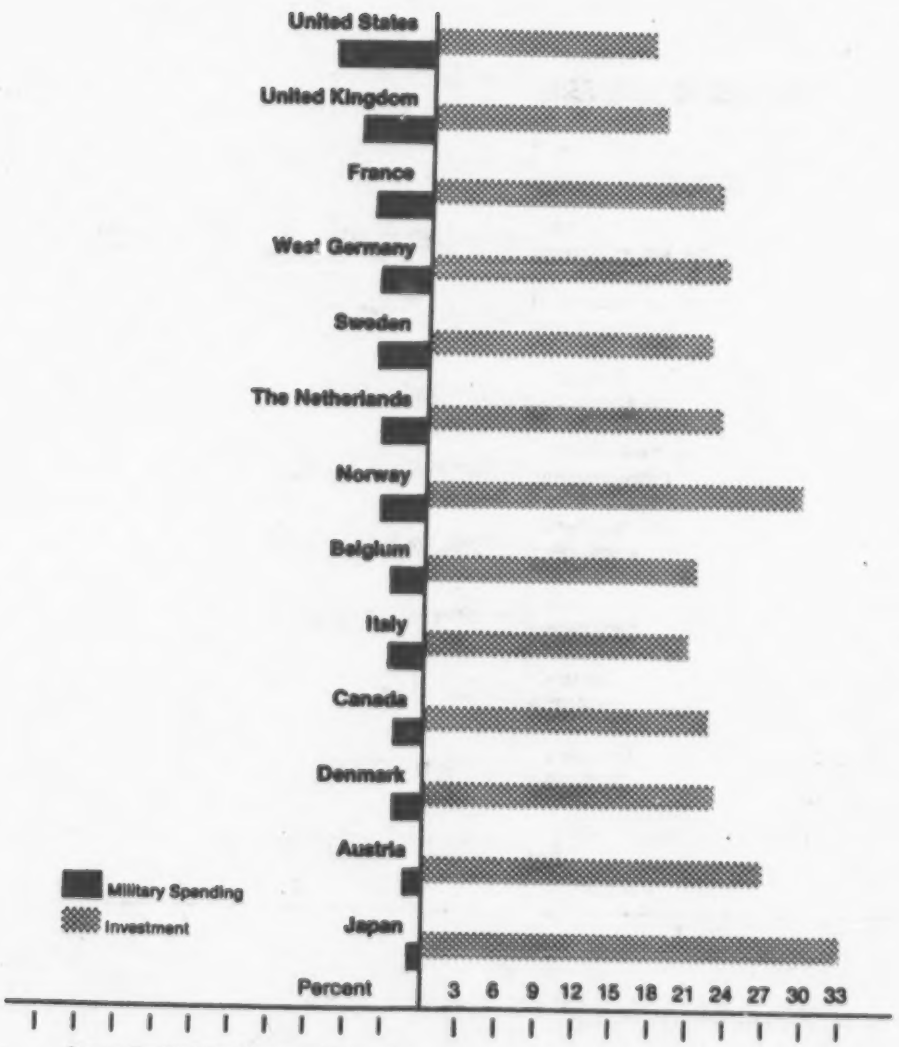
Chart VIII

Military Spending as a Share of Gross Domestic Product vs. Gross Fixed Capital Formation as a Share of GDP

(Average Percent, 1960-1979)



Source: See Statistical Appendix, Table A1.

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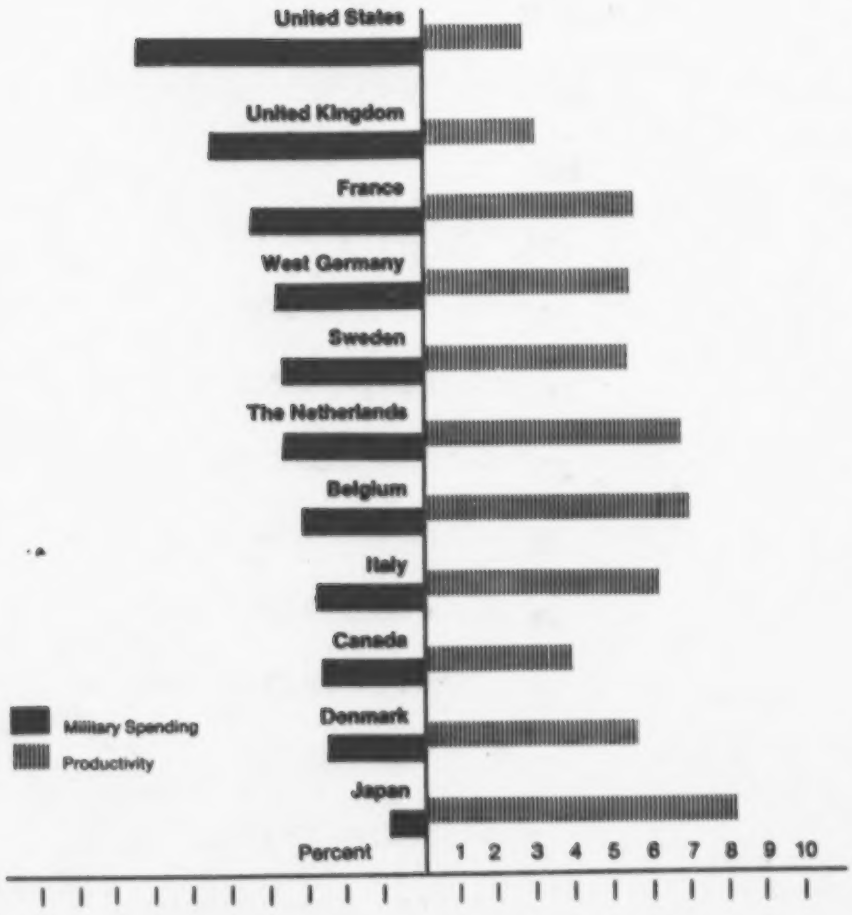
Chart IX

Military Spending as a Share of Gross Domestic Product vs. Growth in Output Per Hour in Manufacturing (Productivity)

(Average Percent, 1960-1979)



Source: See Statistical Appendix, Table A1.

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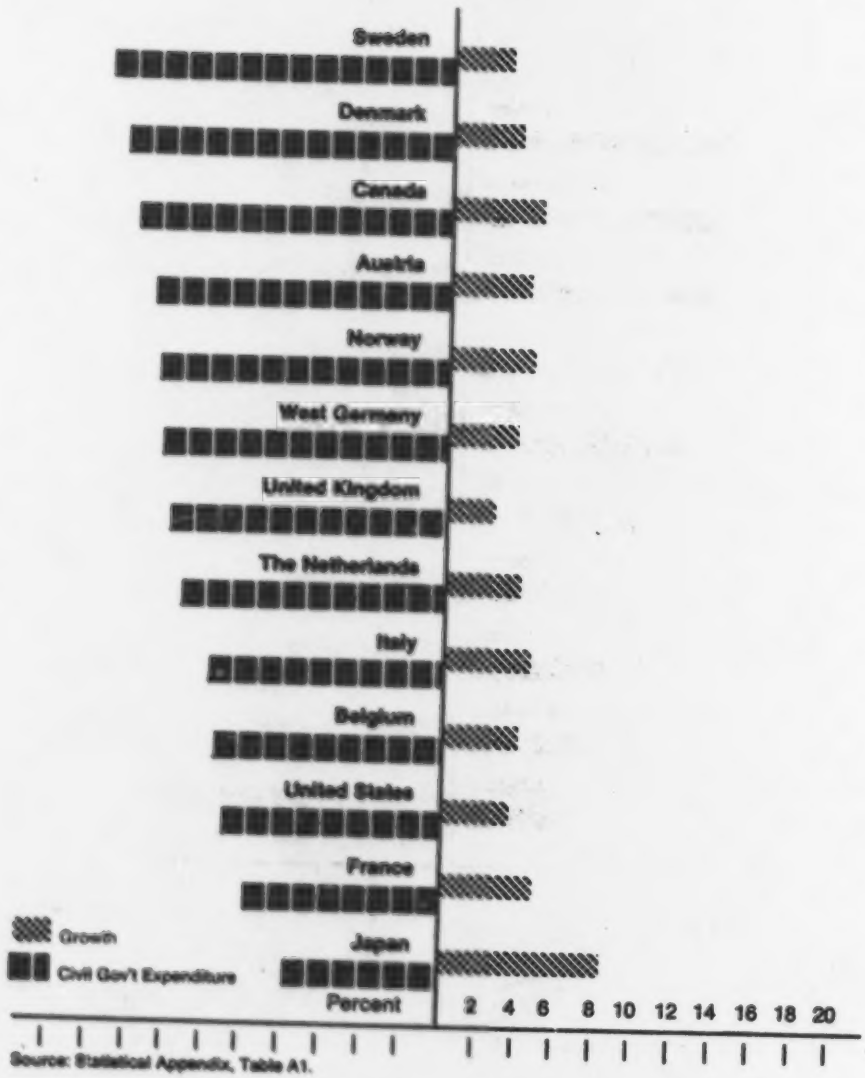
Chart X

Civilian Government Spending as Percent of GDP vs. Real Growth in GDP

(Average Percent, 1960-1979)



Source: Statistical Appendix, Table A1.

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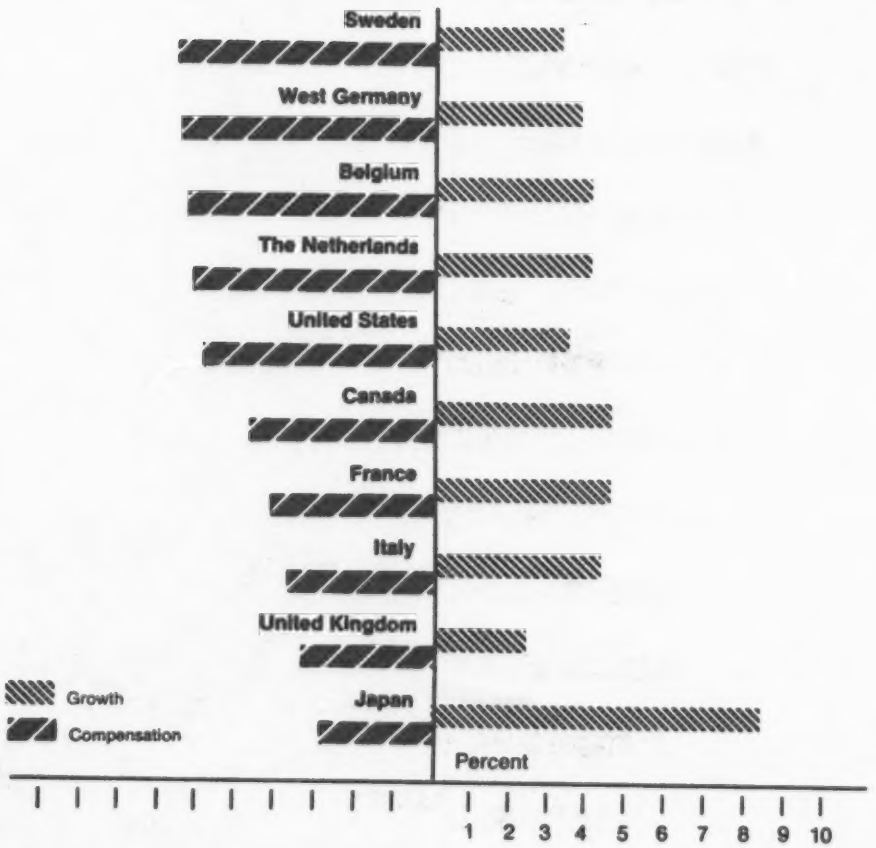
Chart XI

Total Compensation per Hour for Production Workers in Manufacturing (in U.S.$) vs. Real Growth in GDP (Average Percent)

(1960-79)



Source: See Statistical Appendix, Table A1.

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Diminishing Civilian Markets

The Reagan administration's expanded emphasis on military production could further erode the competitiveness of American goods. "If we're going to have an age of defense step-up," Otto Eckstein, President of DRI noted, "we'll lose competitive edge, vis-a-vis Japan and Germany, if we allow them to maintain their 1 to 4 percent share of [military spending to] GNP."[24] This could mean a higher international trade deficit and more inflation. Using the Wharton Business School's economic model, Lawrence Klein predicted that by 1986, 10 percent increases in military expenditures could "generate an extra $12 billion of goods and services [trade] deficit, that would undoubtedly bleed into a weakening dollar, and my offline guess . . . would be about another percent in the rate of inflation."[25]

Advocates of higher military budgets, including Secretary of Defense Caspar Weinberger, have contended that increased military production will stimulate investment and research and development in high technology industries, resulting in civilian spinoffs. During the past two decades, however, U.S. industry has had a poor record of translating military technology advances into competitive civilian products. For example, while military research money financed the development of solid-state integrated circuits, it was the Japanese who successfully used the new technology to decrease the cost of television sets and radios. And, although the aerospace industry was almost entirely the creation of U.S. military know-how, a European conglomerate, Airbus Industrie, has recently made substantial inroads into the civilian air carrier market.[26] At the same time, Lockheed and perhaps McDonnell Douglas are halting production of civilian aircraft. Soon, Boeing may remain the only American firm to challenge Airbus Industrie.

Our industrial competitors are continuing to beat us into new marketplaces. For example, few American firms have applied miniaturization of electronic equipment—an important military-driven innovation—to one of the fastest growing new commercial markets: video cassette recorders (VCRs). On the other hand, the Japanese, according to Rep. Les Aspin (D-WI), "spent years devising and refining VCRs until they were able to produce a small, reliable and relatively inexpensive product for the commercial market." The result? Of the VCRs sold during the past three years, all of those sold for home use were imported from Japan.[27]

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Military technology is becoming less and less appropriate for commercial applications which emphasize low cost and reliability over advanced "state of the art" performance. For example, current military requirements are pushing U.S. development of computer chips in the direction of higher speed at higher cost. At the same time, Japanese manufacturers are developing cheaper, very reliable chips with greater storage capacity. Thus the new generation of civilian computer chips may well end up being built in Japan rather than in the United States.[28]

Solving the problems which have made U.S. products less competitive internationally will require better targeting of research and development, followed up by new investment in areas which promise good commercial payoffs, instead of hoping for "spinoffs" from military technology.[29] Currently we spend about *30 percent* of all public and private R&D funds on military projects (60 percent of federal R&D funds).[30] Reagan's 1982 budget includes a major expansion in military research and cuts in civilian funding. By further focusing R&D resources on increasingly esoteric military applications, we risk continued deterioration of the technological base which supported U.S. economic growth during past decades.

Even before the current military buildup began, economists were concerned about the lack of funds for exploring new civilian technologies. In 1977, for example, a National Science Foundation panel of prominent economists, assembled for a colloquium on R&D and

productivity, warned that the "United States is probably underinvesting in civilian sector R&D from a purely economic growth/productivity point of view."[31]

During the past two decades, the U.S. share of GNP devoted to civilian R&D was lower than the share in France, West Germany, the United Kingdom or Japan. On the other hand, the U.S. share of GNP spent on military R&D was over twice as large as our closest competitor, the U.K. (Chart XII). In his recent book analyzing *America's Technology Slip*, a founding member of the TRW Corporation, Simon Ramo, estimated that: "In the past thirty years, had the total dollars we spent on military R&D been expended instead in those areas of science and technology promising the most economic progress, we probably would be today where we are going to find ourselves arriving technologically in the year 2000."[32]

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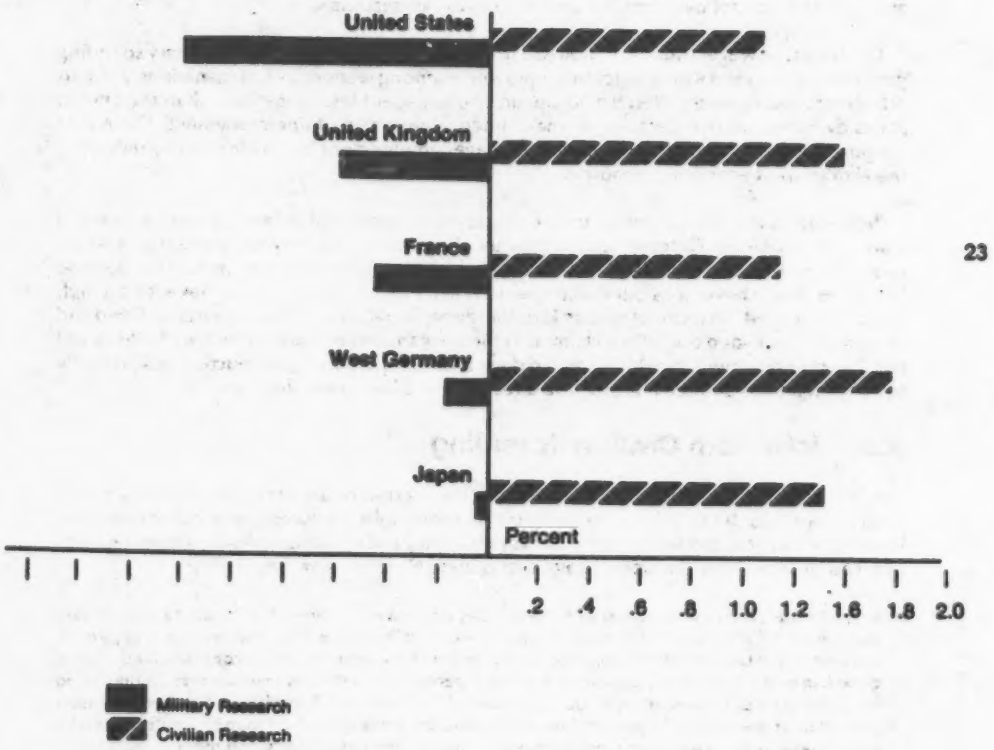
Chart XII

Military Research & Development/GNP vs. Civilian Research & Development/GNP

(Average Percent, 1960-76)



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Source: National Science Board, *Science Indicators 1978*, pp. 140, 144.

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Military Jobs: Opportunities Lost

Like every previous government since World War II, the Reagan administration has stressed the economic benefits of defense spending, particularly its job-creating potential. Yet mounting evidence shows that jobs created by the military are at best a mixed blessing because they are highly skilled, concentrated in only a few geographic regions and less numerous than their civilian alternatives per dollar spent.

By helping to pull the economy out of the Great Depression, World War II left a strong impression in the minds of many business and political leaders that military spending was an effective anti-recessionary aid. High levels of defense-related capital investment spurred economic growth both during and after the war. This stimulus helped create jobs for returning veterans in communications, transportation and aerospace. The "cold war consensus" in support of high military spending which grew out of this experience led some economists to argue that capitalist nations actually require defense spending to offset excess unemployment and maintain control over markets and sources of raw materials.[33]

This thesis, however, does not stand up under scrutiny. Higher levels of military spending generally correspond with greater unemployment among western industrial nations, as Chart XIII shows. Nearly every Western European country spent less on defense than the United States over the past two decades yet maintained a lower rate of unemployment. These data support the thesis that military spending *damages* employment in the long run by distorting the allocation of economic resources.

Beginning in the 1960s, research on the employment impacts of defense spending revealed substantial problems. Defense related jobs are clustered in relatively few categories and are unevenly distributed from state to state. As weapons sophistication increases, defense industries create fewer jobs per dollar spent. Military employment also carries with it a high "opportunity cost" in terms of civilian jobs foregone, social services cut, research delayed and investment "crowded out." Thus claims that the Reagan administration's military buildup will reduce unemployment should be viewed skeptically: renewed arms production will primarily employ engineers and technicians who already have a low unemployment rate.

More Jobs from Civilian Spending

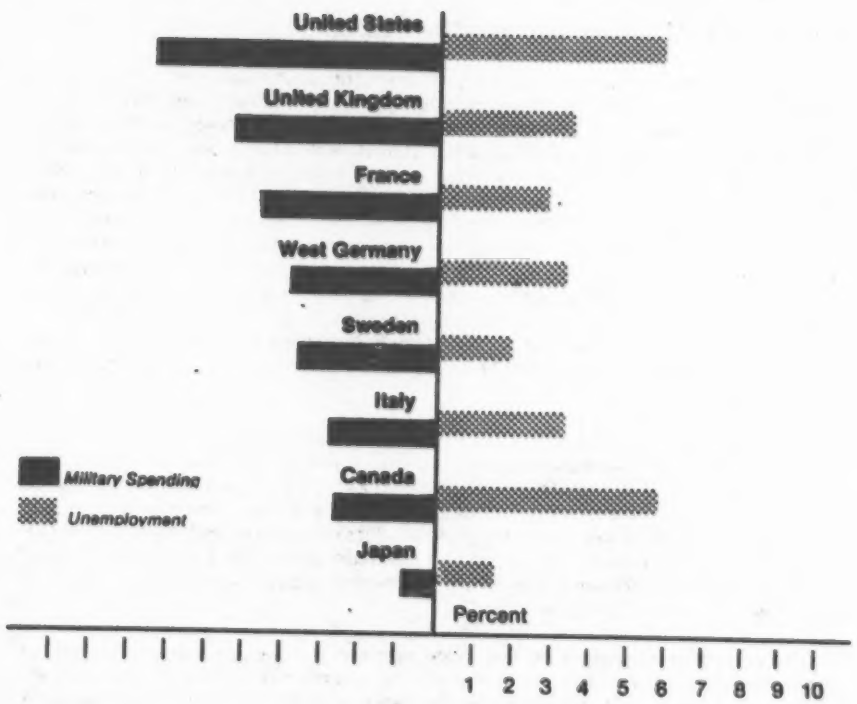
While military spending creates jobs, almost any alternative use of the same money would create *more jobs*. If tax dollars are spent on weapons, jobs are foregone in other fields like housing, education, civilian research, energy efficiency and consumer goods. A growing body of research shows that this opportunity cost is high. Here are some examples:

- Roger Bezdek, then an economist with the U.S. Department of Commerce, published a study in 1975 that traced the effects over five years of three levels of military spending. The first was a 30 percent increase in military spending compensated by an equal tax increase; the second assumed normal growth in military spending; and the third was a 30 percent cut in military expenditures accompanied by an equal tax cut. Using an input-output model of the economy, Bezdek found that employment and net output would be 2.1 percent higher if the military budget were cut than if it continued at the same level. If military spending were increased by 30 percent, employment and output would be 1.3 percent lower than if the budget remained stable. For the nation as a whole, Bezdek concluded that a "decrease in defense would likely increase employment and the compensated increase in arms procurement would likely decrease employment."[34]
- Chase Econometrics, under a contract from Rockwell International Corporation, performed an economic analysis of the B-1 bomber program. Using a large and sophisticated model for the economy, Chase compared the effects of the B-1 expenditures with a tax cut and a public housing program of equal dollar amounts. Both the tax cut and the housing program produced more jobs than

Chart XIII

Military Spending as a Share of Gross Domestic Product vs. Unemployment

(Average Percent, 1960-1979)



Source: Bureau of Labor Statistics, *Handbook of Labor Statistics*, p. 465.

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the B-1 program. Over five years the tax cut yielded 30,000 more jobs and the housing program 70,000 more jobs than the B-1.[35]

- Marion Anderson, of the Employment Research Associates in Lansing, MI, has also studied the employment effects of military spending. Building on a model created by Bruce Russett of Yale, she estimated that every billion dollars spent in the military sector resulted in a net loss of 9,000 jobs compared with spending the billion dollars in the private sector, and a net loss of 35,000 jobs compared with spending the money in the state and local government sector. Anderson estimated that over a million jobs were foregone in the whole economy during 1977 and again in 1978 as a result of military spending.[36]
- In a study of the Philadelphia area, Norman Glickman of the University of Pennsylvania, using a model similar to the ones used by Bezdek and Chase Econometrics, estimated that a cut in regional military spending of $100 million, accompanied by an increase in revenue sharing funds of $100 million, would result in an increase of regional employment by more than 10,000 jobs, and a rise in output of some $70 million.[37]
- Most recently, in *Misguided Expenditures*, economist Gail Shields of the Council on Economic Priorities compared the job creating potential of the MX missile with a range of alternative industries using the Bureau of Labor Statistics' input-output model of the U.S. economy. As Chart XIV shows, all five alternatives that were considered would create more jobs than the mobile missile project.[38]

Military Jobs: Limited and Highly Skilled

The major reason why military spending creates fewer jobs than most civilian alternatives is that arms production requires a greater concentration of highly skilled, well paid engineers and technicians than does civilian industry. Several studies of the defense labor force at the end of the Vietnam war by economists in the U.S. Department of Labor bear this out. In 1968, Max Rutzick found that over 60 percent of the defense work force was classified as either skilled, semi-skilled, or professional, while these three categories make up less than 45 percent of the labor force as a whole.[39] In 1970, Richard Dempsey and Douglas Schmude reported that craftsmen represented 20 percent of the workers in defense industries, more than 50 percent higher than the proportion of craftsmen in the economy as a whole. They also found that one *fifth* of all engineers in the United States worked in the defense sector. "Defense hardware and weapons systems are becoming increasingly complex," Dempsey and Schmude commented, "requiring a relatively large investment in research and development, activities which account for the high proportion of professional and technical workers found in defense employment."[40]

26

More recently, in his thorough study of *The Defense Industry*, Jacques Gansler found that the ratio of production workers to the total work force in key defense industries is considerably less than in U.S. industry as a whole (Chart XV). On average, nine out of every ten jobs in U.S. industry are production jobs, but in areas such as guided missiles and electronic communication, only three jobs out of ten go to production workers, and in aircraft just five out of ten.[41] The Air Force is now engaged in research to develop a highly automated "factory of the future" for aerospace production which will further reduce labor input and increase the capital intensity of military production.[42]

The increasingly low job yield of military spending means that such spending can do little to reverse the problems of structural unemployment and income maldistribution. It is also likely that military spending can do little to combat the historical problem of job discrimination. In 1968, at a time of high aerospace industry employment, Herbert Northrup concluded that formidable "institutional" factors limit black employment opportunities and the chances for promotion in aerospace. The average black employment in the industry according to Northrup "will surely remain below 10 percent in the foreseeable future."[43] The two main factors behind Northrup's conclusions were the high skill and educational requirements for aerospace jobs, which penalizes those who have not had access to the needed education or

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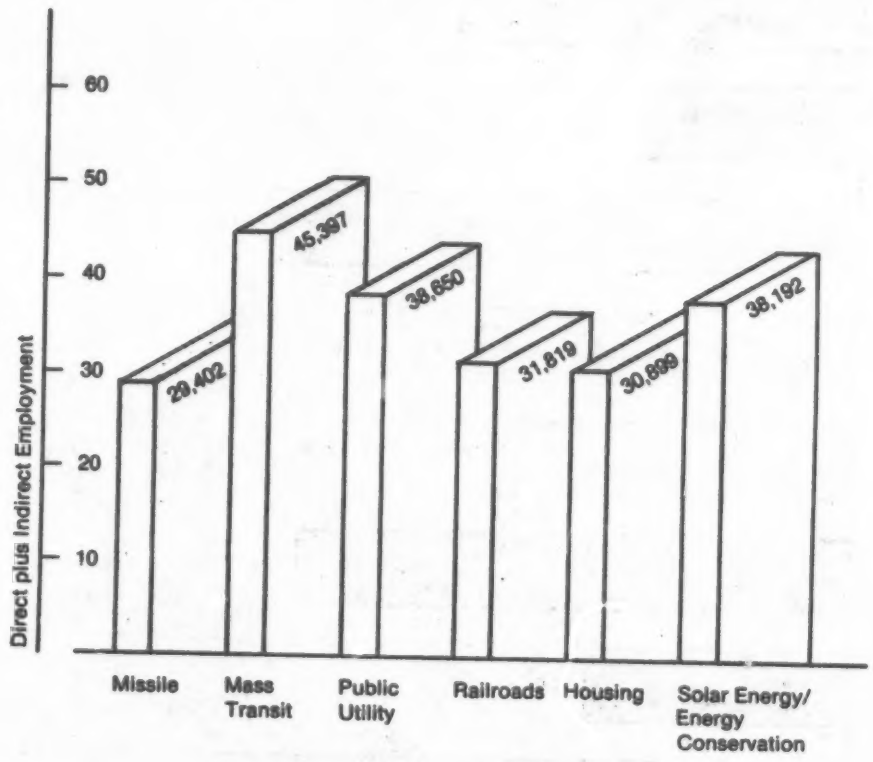
Chart XIV

Employment Impact of Alternative Uses of One Billion Dollars of New Final Demand

(Number of Jobs per One Billion 1980 Dollars)



Source: David Gold, Christopher Paine and Gail Shields, *Misguided Expenditure: An Analysis of the Proposed MX Missile System* (New York: Council on Economic Priorities, 1981). Converted 1972 dollars to 1980 dollars using GNP deflators.

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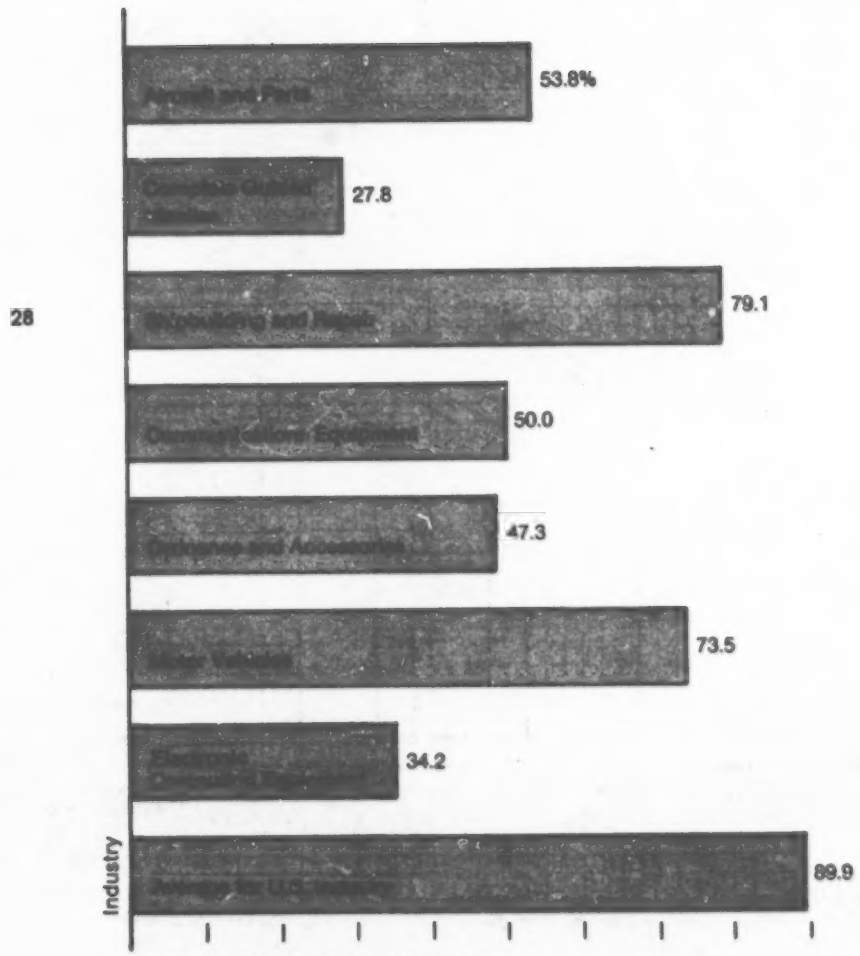
Chart XV

Percentage of Production Employees in Selected Defense Industries



Source: National Commission on Materials Policy, final report (Washington: U.S. Government, 1973).

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prior work experience, and the location of aerospace facilities away from urban areas with concentrations of minorities. Since the skill level in the military industry has increased, it is unlikely that the employment situation for non-whites has improved.

Arms Spending Shifts Tax Revenues South and West

Overall, the Pentagon estimates that 5.7 million jobs are derived from military spending in 1982. One million are civilian Defense Department employees, 2.1 million are uniformed personnel, and another 2.6 million are employed by private companies working on Pentagon contracts.[44] This employment is concentrated in relatively few areas of the country, including Dallas-Ft. Worth (General Dynamics), Los Angeles (Rockwell, Northrop & Hughes), the San Francisco Bay Area (Lockheed), Seattle (Boeing), Boston (GE), Connecticut (General Dynamics Electric Boat Division & United Technologies), St. Louis (McDonnell Douglas), Long Island (Grumman), and Newport News (Tenneco).

The regional imbalance of defense contracting means that some areas prosper while others lose vital tax dollars, employment and consumer spending. In a 1980 report, the Congressionally-sponsored Northeast-Midwest Institute found that military spending significantly shifts tax revenues from the 18 older industrial states in the "frost belt" to the south and west. The Institute reported that while the northeast-midwest region held 46 percent of the nation's population and contributed 49 percent of federal tax revenues, it received only 41 percent of the Pentagon's prime contract awards and a mere 1[illegible]ercent of the Department's salary expenditures.[45] The report concluded that these imbala[illegible]s, amounting to billions of dollars, have contributed to the deterioration of the northeast-midwest economic infrastructure by diverting investment and jobs away from the region.[46]

Senator Moynihan's (D-NY) annual report on *New York State and the Federal Fisc* agrees with the Institute's findings. Moynihan found that military spending represents a net tax drain on New York State.[47] In another recent study, James Anderson, of the Employment Research Associates, projects that the Reagan administration's military budget will drain $268 billion in taxes from the northeast and midwest between 1982 and 1986. This will be the largest internal shift of tax resources in the history of the United States, according to Anderson.[48] Chart XVI shows which states lost and which gained as a result of the military budget in 1980.

29

• • •

It is an illusion to depend on Reagan's military buildup to stimulate employment. Since relatively few semi- or unskilled workers are required for military production, the administration's arms buildup may not even significantly decrease unemployment. Demand for increasingly sophisticated weapons means that jobs created in the defense sector will go to highly skilled technicians, engineers and managers—a small percentage of the nation's workforce, with an already low unemployment rate. People most in need of jobs—trade, industrial and service workers—will largely be bypassed in the military boom. In addition, the buildup will exacerbate the shift of jobs from the frost-belt to the south and west. The Reagan rearmament will therefore magnify our employment problems instead of solving them.

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Chart XVI

Net Pentagon Tax Loss or Gain by State

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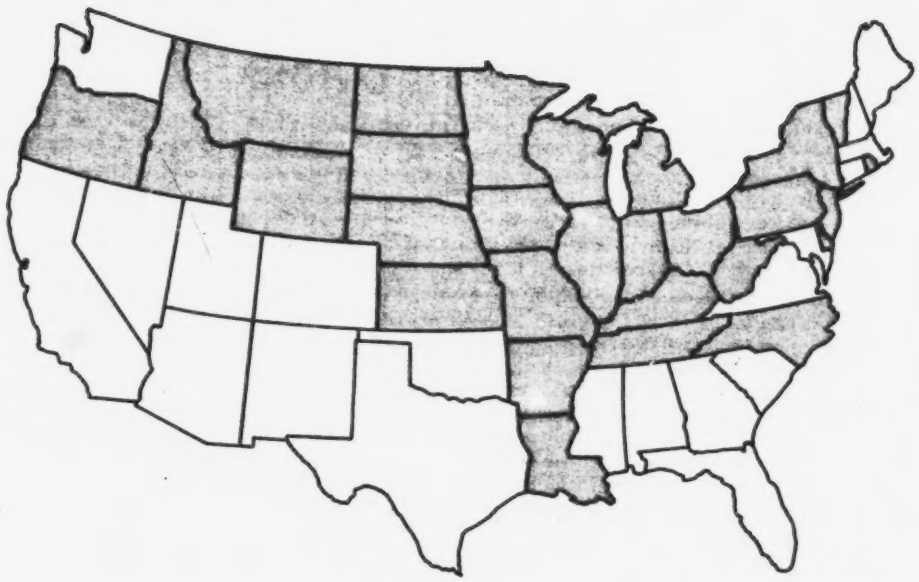

Net Loss States

Net Gain States

Source: James Anderson, "The Pentagon Tax: Where It Comes From—Where It Goes" (Lansing, MI: Employment Research Associates, Summer 1981), p. 3.

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Social Costs

During his first months in office, President Reagan engineered the most dramatic shift in federal spending priorities since the New Deal. Under heavy pressure from the President, Congress eliminated over $39 billion in public works and social spending from the 1982 budget in an effort to reduce the size of the federal government and make way for the administration's unprecedented peacetime military buildup. This reduction was proposed as only the first in a series of cuts that the administration has said will total at least $100 billion by 1984. Unless the program is substantially altered, many effective social programs will be dismantled and others will be damaged badly. Responsibility for continuing many essential services will fall on state and local governments already over-burdened after a decade of diminishing tax revenues. As a result, citizens will face the dilemma of giving up certain services entirely or financing them with new state and local taxes.

Massive Transfer to the Military

The extent to which increased military spending is responsible for the growing pressure on civilian expenditures is obscured by the official presentation of the federal budget. We can measure the defense share of the federal budget in at least two ways. The official method measures defense outlays as a percentage of total budget outlays. In Chart XVII, the lower line plots this measure over the past thirty years and shows the military's share jumping to 37.6 percent of total federal outlays by 1986, compared with a Vietnam war high of 44 percent in 1968. This measure, however, understates the defense share of the budget: it includes trust funds and interest on the federal debt as part of total outlays and excludes veterans benefits from defense.

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Trust funds and debt payments make up almost half of the total budget and are the least controllable elements. Payments out of trust funds, almost 60 percent of which are for social security, have been the fastest growing part of the federal budget. Their costs, however, are quite independent of the collection and distribution of general tax revenues because existing laws, like the payment schedule for social security, govern their expenditure. Trusts, which are paid for by separate taxes or levies, were only added to the overall "unified" budget in 1969, at President Johnson's insistence, partly to hide the Vietnam war's expense. Interest payments on the federal debt are a legal obligation of the government and vary with the prevailing interest rates. Veterans benefits are a cost to the government for the conduct of past wars and should be considered part of the defense category.

By subtracting trusts and interest from total federal outlays and adding veterans' benefits to defense, we get the "general funds measure" represented by the upper line in Chart XVII. This shows that in 1982, the military burden will be 60.3 percent of the most controllable general funds. By 1985, the administration projects it rising to over 78 percent. Thus, only 22 percent of general funds will be available for civilian programs like food stamps, environmental protection and aid to education. Chart XVIII, comparing shares of the federal budget "pie" in 1981 and 1986, illustrates how dramatic a shift the Administration is seeking.

Even these figures fail to tell the full story. An assessment by the Congressional Budget Office (CBO) demonstrates the difficulties created by the administration's huge tax cut on top of quickly expanding arms spending. Adding up the projected costs in 1986 for National Defense, Benefit Payments to Individuals under current law, and Interest on the National Debt, the CBO found that the total took up 99 percent of the $748 billion in federal revenues expected in that year.[49] Without new taxes or major changes in entitlement programs like Social Security, it is unrealistic to expect that the administration could balance the budget in 1986. Thus we can expect federal borrowing to remain high and pressures on civilian programs to grow, not lessen.

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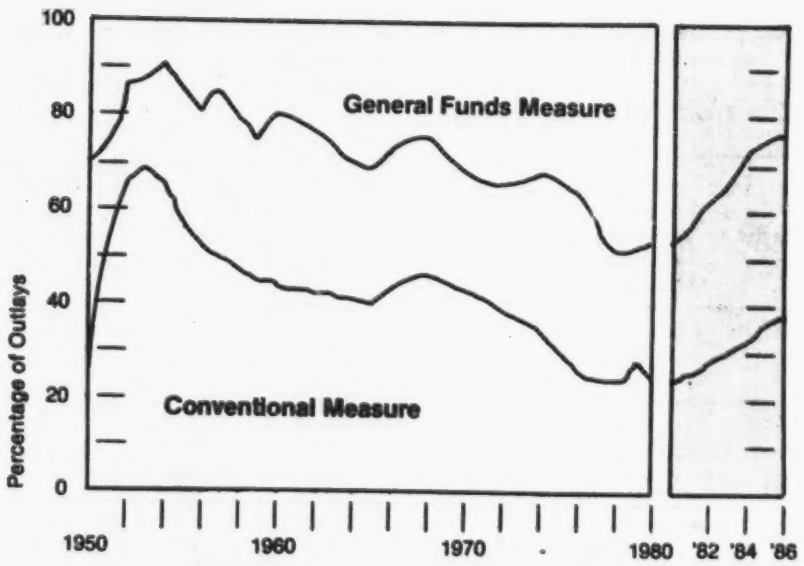
Chart XVII

Two Measures of the Military Burden 1950-1980 and Projected 1981-1986



General funds measure: Conventional measure adding veterans benefits to the defense function and subtracting trust funds and interest on the debt from total federal outlays.

Conventional measure: Defense function as a percentage of total federal outlays.

Source: Office of Management and Budget, *Federal Government Finances*, March 1981.

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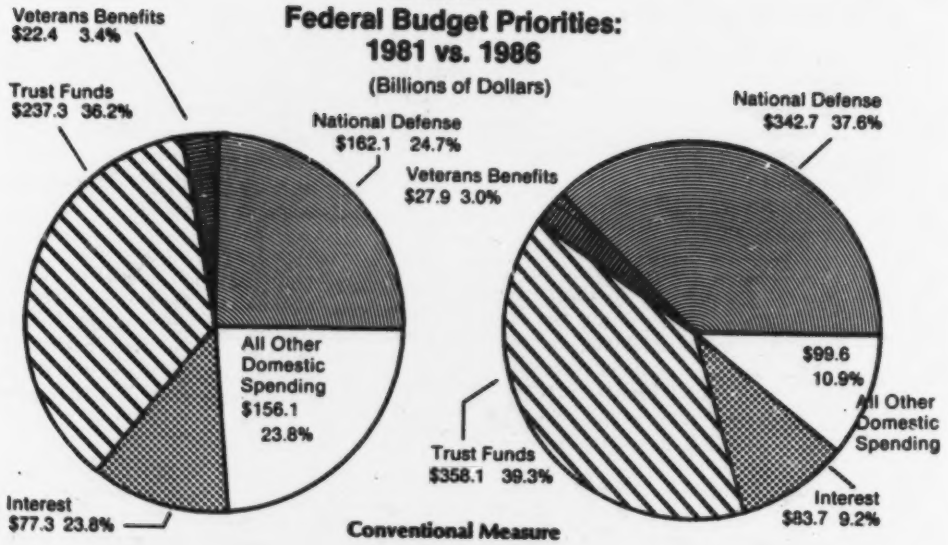
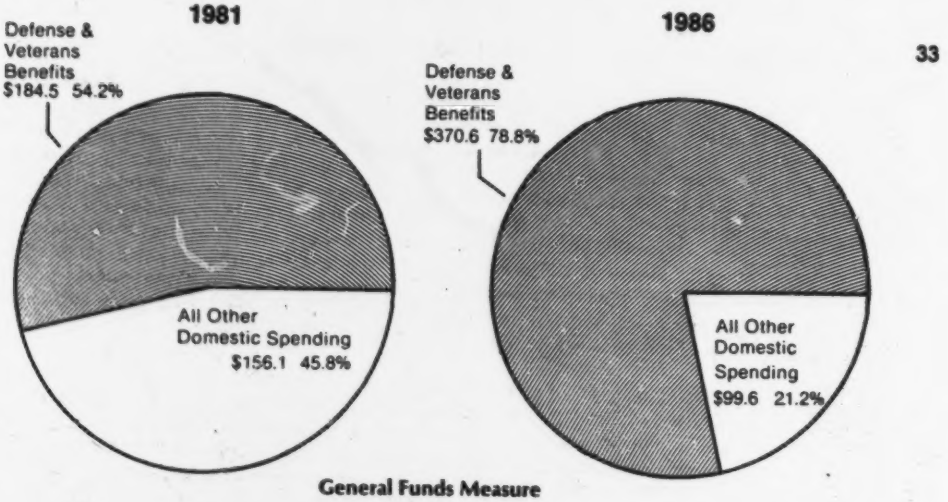
Chart XVIII

Federal Budget Priorities: 1981 vs. 1986

(Billions of Dollars)



Conventional Measure



General Funds Measure

33

Notes: *Based on official Reagan Administration projections in March, 1981. All figures are for budget outlays, rather than budget authority. The figures are subject to substantial changes due to the state of the economy—trust fund costs and interest on the debt, being largely uncontrollable, are likely to be much higher than was projected in March of 1981, putting more pressure on other parts of the budget.

**Figures may not add to 100% due to rounding.

Source: Office of Management and Budget, *Federal Government Finances*, March 1981.

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Squeezing States

While increasing arms outlays will drastically limit federal social spending over the next few years, the administration proposes to shift responsibility for civilian programs to state and local governments. Of the $39 billion in 1982 budget reductions, more than one third came out of money paid to states and localities through grants-in-aid and general revenue sharing—programs which previously took up only 14 percent of the total federal budget.[50] Many of the programs to aid state and local governments were consolidated into block grants, with funding then cut 25 percent across the board. Under increasing budget pressures, the administration is taking more and more money out of state and local assistance.

Many states, especially in the northeast and midwest, have seen their tax base substantially eroded over the past decade by business flight, population loss, high energy costs and inflation. And on top of the new federal burden, states already face the awesome task of rebuilding and maintaining existing physical infrastructure—sewers, water mains, streets, bridges, hospitals—estimated by the Urban Institute to cost *$660 billion* over the next 15 years.[51] With public works investment down 29 percent per capita since 1965, amidst falling municipal credit ratings and increasing interest rates, local governments will be hard pressed to pick up the slack created by Washington.[52]

The twin pressures of increasing military spending and declining state tax revenues will dramatically limit social progress over the next few years. While many human service and public works programs should be restructured to run more efficiently, the swiftness of the administration's budget cutting eliminated federal efforts which encourage economic development and effectively assist the disadvantaged.

34 Decreasing Incentives for Social Investment

Some government spending actually stimulates economic growth by providing incentives for investment and job creation not available through the free market. Government incentives in areas like energy conservation, mass transportation and housing will be particularly hard hit by the administration's budget cuts. By reducing almost every major energy conservation program, the administration will not only stifle development in an area with one of the highest job creating potentials, but will also weaken national security by slowing efforts to achieve energy independence. Solar energy development has been cut 70 percent in 1982 and energy research and development will be reduced by 10 percent. The Urban Waste program and the Solar Energy/Energy Conservation Bank are slated for elimination. Other energy development efforts, including hydropower and geothermal development, face termination of loan guarantees and subsidies amounting to almost $200 million this year.[53]

Mass transportation, another conservation and job-creating sector, also faces extreme cutbacks which will have the added disadvantage of encouraging automobile use and increasing air pollution. The Office of Management and Budget has proposed to cut Mass Transit Operating Assistance by 12 percent in 1982, ultimately eliminating all new assistance by 1985. Mass transit capital assistance for the maintenance of existing facilities and purchase of new equipment faces cuts of 14 percent in 1982. Reductions will increase each year until 1986 when 40 percent of the Carter funding level will be eliminated. Several transit systems around the country are on the verge of bankruptcy in part because of high borrowing costs. The loss of federal support may mean these systems will no longer be able to operate.[54]

The depressed housing industry will also lose substantial assistance under Reagan's economic program. In fact, the largest budget cuts will fall in this area—more than $54 billion in housing assistance will be eliminated over the next four years. In 1982, the administration plans to cut government subsidies for new housing from 255,000 to 153,000 units, decrease

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public housing modernization by 25 percent, and terminate rehabilitation loans for an estimated 12,500 units. With mortgage rates at record levels, new housing starts have plummeted to record lows. As a result, unemployment in the housing sector is among the highest of any U.S. industry.[55]

Falling Through the 'Safety Net'

Despite the President's pledge to preserve a 'social safety net' for the truly needy, 60 percent of those living below the poverty line received no assistance from the seven programs being saved, beyond a free school lunch for their children.[56] In all, roughly half of the $39 billion in cuts proposed by the administration for 1982 have come directly from programs on which the poor depend. The hardship will fall mostly on the working poor and women, who constitute the largest percentage of social service beneficiaries.

Some cuts are inconsistent with President Reagan's stated goal of encouraging less dependence on the federal government. For example, the administration has removed the incentive for welfare mothers to work. An analysis of changes in eligibility requirements for welfare by a University of Chicago group found that the administration's plan lowered payments to working recipients so that total income was only slightly above that of non-working recipients. In New York, a mother working full time with two children earning $4 per hour would see her disposable income including welfare benefits and food stamps drop from $754 per month to $555 under the Reagan proposal. This amount is only $37 per month higher than the amount paid to a similar mother who does not work.[57]

It is important, in the face of easy slogans to the contrary, to recognize that many of the direct subsidy programs slated for reduction have been successful in alleviating real deprivation. Studies show that participants in the Women, Infants and Children supplemental feeding program experienced substantial reductions in infant mortality, incidences of anemia, underweight and premature births and pregnancy complications.[58] The availability of Medicaid and Medicare is widely recognized as contributing to increases in overall life expectancy and decreases in heart disease and cancer mortality rates in the last 30 years.[59] Food Stamps now reach 22 million people, with 87 percent of the benefits going to families below the poverty line. As a result, food purchases have increased fivefold in poverty stricken areas across the country since 1969 and malnutrition has declined.[60]

35

* * *

Whether American society is able, or willing, to absorb continued cutbacks in human service programs along with military increases remain to be seen. Total non-white unemployment in the U.S. during 1980 was over twice the white unemployment rate (13.3 vs. 6.1 percent). Among minority youths between the ages of 16 and 19 living in poverty stricken areas, unemployment reached *40.5 percent*, while the comparable rate for white youths was 18 percent.[61] By late summer in 1981, black teenage unemployment soared to 50.7 percent.[62] Social program cuts can only make conditions worse for the poor and if hopes for greater economic growth do not materialize, unemployment among low-skilled workers will expand as well.

Many in Great Britain blamed the April 1981 riots on unemployment caused by Prime Minister Margaret Thatcher's economic program. "If you have half a million young people hanging around on the streets all day," said former Conservative Prime Minister Edward Heath in July, "you will have a massive increase in juvenile crime, and of course you will get racial tension when you have young blacks with less chance of getting jobs."[63] Unemployment rate estimates for inner city youths in Britain ranged from 40 to 60 percent at the time of the riots.

In 1968, the Kerner Commission, appointed by Lyndon Johnson to determine the causes of urban unrest in the U.S., also reported that unemployment and inadequate job training were major grievances. At that time, unemployment for all non-whites averaged 7.4 percent and for whites, 3.4 percent, *half* the current rates.[64] "None of us can escape the consequences of the continuing economic and social decay of the central city and the closely related problem of rural poverty," the Kerner Commission reported. "The convergence of these conditions in the racial ghetto and the resulting discontent and disruption threaten democratic values fundamental to our progress as a free society."[65]

Is the Buildup Necessary?

While the economic and social costs of building up the military are great, proponents of expanded arms budgets argue that national security is worth the price. Our review of defense and procurement policy, however, does not support this claim.

The threat our country faces has been exaggerated by advocates of enlarged Pentagon budgets. For example, while the administration has argued that the United States spent considerably less than the Soviet Union for defense over the past decade, western nations united through the North Atlantic Treaty Organization (NATO), have substantially out-spent the east's Warsaw Pact.

The buildup may not enhance our national security because the military has failed to clearly define the purpose for buying more weapons. While expensive and sophisticated weapons are often advertised as being capable of destroying numerous Soviet systems for each American system destroyed, at budget time advocates of higher military spending complain that the Soviet Union has a substantial numerical lead. The American people are being asked, in effect, not only to finance extremely sophisticated and costly weapons, but also to match the Soviet arsenal tank for tank.

Substantial waste and mismanagement exists within the Pentagon, primarily because the process of buying weaponry is controlled by those who have the most to gain from higher spending. Firms dependent on military contracts, members of Congress from districts and states representing these firms, and Pentagon procurement officials all have a vested interest in building new and greater quantities of a given weapon—even if it is unnecessary for national security. These are but a few reasons why a thorough public debate on defense policy is in order *before* we undertake such a massive military buildup. 37

NATO Leads Warsaw Pact in Arms Spending

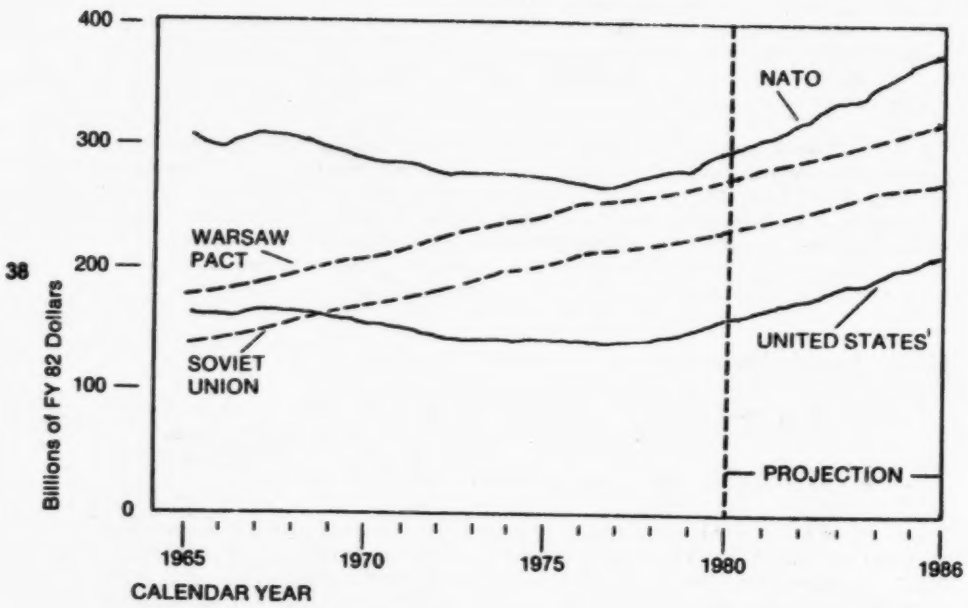
Reagan's plan to "rearm America" is largely based on the assertion that the Soviet Union has spent $300 billion more on defense than the United States during the past decade.[66] This comparison, however, is not even an accurate accounting of military spending by western and eastern nations, much less an assessment of the true military balance.

The United States, unlike the Soviet Union, has wealthy allies who together contribute almost as much as America itself to the common defense through NATO. On the other hand, the Soviet Union shoulders over three-quarters of the east's Warsaw Pact costs. When comparing the total expenditures of the two alliances (NATO vs. Warsaw Pact), instead of just the U.S. vs. the U.S.S.R., Reagan's conclusion is reversed. Over the past ten years the west has spent considerably more than eastern nations (Chart XIX), even using Central Intelligence Agency figures which exaggerate Soviet spending.[67]

CIA estimates of Soviet spending have themselves been the subject of much controversy. Since the Soviet Union does not publish reliable figures, the CIA estimates their expenditures by attempting to measure the cost of duplicating the Russian military in U.S. dollars. This technique is known as the "building block" method. However, like most techniques for estimating Soviet expenditures, this method is flawed. A dollar estimation of Soviet military costs overstates their expenditures because it is based on U.S. rather than Soviet costs. To give one example of the distortion, the CIA assumes that the Soviet military earns American pay levels, even though the Russians draft their army and pay very low wages. Thus, because U.S. military pay increased by 14.3 percent last year, the CIA estimates of Soviet spending will

Chart XIX

Comparison of NATO and Warsaw Pact Total Defense Costs



[1]SOUTHEAST ASIA INCREMENT EXCLUDED (I.E., VIETNAM COSTS)

Source: Secretary of Defense Harold Brown, *Department of Defense Annual Report*, Fiscal Year 1982, p. C-12

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expand by about $10 billion a year even though the Soviets did not add one soldier to their army.

The bias created by estimating the cost of Soviet programs in dollars stems from basic differences between the U.S. and Soviet economies. In Russia, labor costs are lower and high technology equipment is less available than in the U.S. As a result, Soviet armed forces depend on greater numbers of men and less sophisticated equipment, while U.S. strategy is based largely on the expectation that technology can overcome numbers. For its part, the CIA acknowledges that these differences create problems in estimating Soviet defense spending:

> Evaluating the defense activities of both countries in dollar terms introduces a basic measurement problem common to all international economic comparisons and known to economists as the index number problem. Given different resource endowments and technologies, countries tend to use more of the resources that are relatively cheap—and less of those that are relatively expensive—for a given purpose. A comparison drawn in terms of the prices of one country thus tends to overstate the relative value of the activities of the other.[68]

Some downward adjustment in the dollar estimate of Soviet military spending should thus be made to correct for this bias, but there is little agreement on how great the adjustment should be. In contrast to the CIA's claim, at least one expert, Franklyn Holzman of Tufts University, believes that a proper adjustment would show the United States and the Soviet Union spending similar sums on the military.[69]

Distorted Force Comparisons

Other, more direct ways of comparing U.S. and Soviet military strength also tend to be presented in misleading ways. Advocates of greater military spending often cite three critical areas in which Soviet forces outnumber their American counterparts—in nuclear weapons launchers, military personnel and naval vessels. In each case, however, the comparisons are taken out of context and, when properly interpreted, do not support the claim that the Soviet Union has gained military superiority. 39

While it is true that the Soviet Union has more launchers (missiles, bombers and submarines) for strategic nuclear weapons than the U.S., America holds a significant lead in the number of deliverable nuclear warheads (9,500 to 7,000). This lead results from placing multiple warheads on each launcher. As Henry Kissinger explained after negotiating the first Strategic Arms Limitation Treaty, it is *warheads and not launchers* which kill people. U.S. warheads are also less vulnerable to a surprise attack than the Soviet's since over two-thirds are in hard-to-find submarines and bombers. On the other hand, more than two-thirds of the Soviet strategic nuclear weapons force is located in fixed-site,land-based missiles, most of which the U.S. will theoretically be able to destroy with a first strike if we deploy the MX missile system.[70]

Even though the Soviet Union has a substantially larger number of soldiers than the United States, total NATO troops outnumber all Warsaw Pact forces by 5.1 to 4.8 million. America contributes only about half the NATO forces, while the Soviet Union accounts for over three-quarters of the Warsaw Pact figure. Moreover, since the Soviet Union devotes about a quarter of its armed forces to protecting the long and hostile border with China, the overall troop count in Europe *favors* NATO by about a million men. And while the Warsaw Pact has a substantial lead in tanks, NATO has a much larger number of anti-tank weapons and more advanced tactical aircraft.[71]

In the naval balance as well, NATO forces are stronger than the Warsaw Pact. NATO has 400 major surface combatants to 235 for the Warsaw Pact. The numerical comparison only favors the Warsaw Pact when small coastal patrol and mine warfare vessels are included. In numbers

of aircraft carriers, major surface combatants and nuclear submarines, NATO exceeds the Warsaw Pact (Chart XX). The NATO advantage is even greater when comparing total tonnage which is probably the best single measure of naval strength, since it reflects the range and staying power of combatant ships and the carrying capacity of cargo transports. Counting all ships, or major vessels, NATO has a two to one lead in the tonnage displaced by its navies.[72]

Numerous elements affect the overall military balance, including geography and loyalty of allies, as well as armed force comparisons. While a thorough examination of these issues is beyond the scope of this study, we must not view the Russians as 'ten feet tall.' Problems confronting the Soviet military are substantial. They include the potential for a two-front war with China and NATO; the isolation of their naval fleets from major oceans; the uncertain loyalty of their Eastern European allies; and the technological inferiority of many of their weapons systems. When assessing the military balance as a whole, we share the view once expressed by General David Jones, Chairman of the Joint Chiefs of Staff that:

There is too much pessimism about our current capability. I would not swap our present military capability with that of the Soviet Union, nor would I want to trade the broader problems each country faces.[73]

The Case for Military Reform

Although the Soviet Union has undertaken a steady buildup of military forces over the past two decades, there is little reason to believe that increasing the funds we spend on arms will improve our security given present policy and decisionmaking procedures. The missions assigned to many of the Pentagon's weapons are ill-defined and the price tags are exorbitant. Choices of which weapon to produce are determined by Pentagon procurement officials,
40 military contractors and members of Congress whose careers often depend on developing new systems—whether or not they are necessary. Thus substantial waste could be eliminated from the Pentagon's budget without decreasing military capabilities.

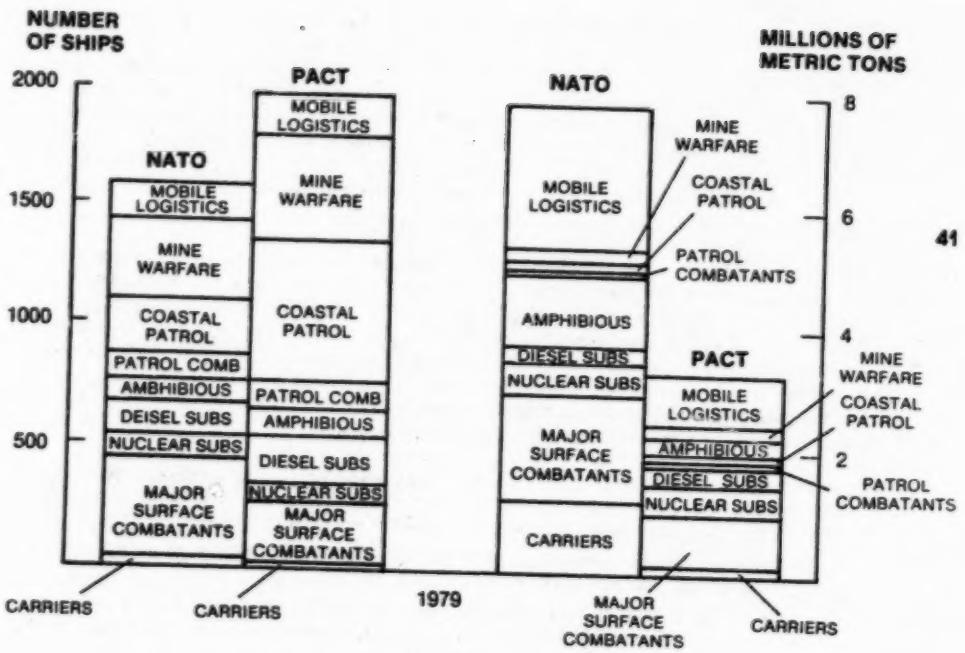
The roles assigned to America's military are often poorly defined and overly ambitious. For example, up until the Soviet invasion of Afghanistan, the Pentagon's justification for substantially increasing the military budget was the Soviet threat in Europe. Since Afghanistan, an almost identical conventional buildup has been urged to protect Persian Gulf oil.[74] This raises at least two problems. First, much of the equipment necessary to repel a Soviet invasion of Western Europe may not be well suited for rapid intervention in the deserts of the Middle East due to differences in geography and temperature. And second, why should we expand our already substantial power projection forces when it is not clear that any amount of force could defend the fragile network of pipelines and pumping stations necessary to ensure access to Middle Eastern oil?[75]

In the area of nuclear arms, Reagan has proposed a bomber, the B-1B, which will become obsolete only five years after it is deployed; and a missile, the MX, which is primarily useful for waging a highly questionable 'limited' nuclear war.[76] How do these weapons increase our security?

For many conventional weapons, technological sophistication has become more important than the mission they were designed to fulfill. Complexity, however, decreases reliability and increases cost. Last fall, Senator Sam Nunn (D-GA), disclosed an internal Pentagon report suggesting that buying complex weapons may actually erode the combat readiness of U.S. forces. The report, prepared by Franklin Spinney, a civilian analyst for the Pentagon and a former Air Force pilot, found that high-tech arms create a form of "organizational cancer." Weapons are purchased without consideration of how difficult it will be to keep them operational; this raises maintenance costs and reduces effectiveness.[77] In his recent book

Chart XX

General Purpose Naval Forces of NATO and the Warsaw Pact



Source: Secretary of Defense Harold Brown, *Department of Defense Annual Report*, Fiscal Year 1981, p. 107.

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exploring this issue, James Fallows concludes that "If tanks, missiles, ships, and airplanes continue to grow geometrically in cost and complication, that fact will render meaningless our other decisions about defense, as complex weapons take longer to build and pay for."[78]

Weapons costs appear to be out of control. As of June 1981, the Pentagon's quarterly Selected Acquisitions Report shows that the current cost estimates for 47 major weapons systems had more than doubled over their original projections. The report estimated that the Army's M-1 Abrams tank program would cost 365 percent more than originally thought, the Navy's F-18 fighter was pegged at 254 percent of its initial cost and the Trident submarine was listed at 195 percent of its original estimate.[79] While the Pentagon blames much of this cost growth on 'inflation,' Jerome Stolarow, former Director of Procurement and Systems Acquisition for the General Accounting Office believes it results instead from unrealistic claims designed to help sell the weapon.

Program advocates both in DoD and industry, want to get a program started. They tend to be highly optimistic with respect to costs, technical developmental problems and operational characteristics; that is, they tend to say the proposed weapon will do wonders at a very low cost.[80]

In addition to keeping cost estimates low, contractors and the Pentagon lobby members of Congress with information about how a weapon will benefit the member's constituents with contracts and jobs. During the B-1 bomber debate, for example, Reps. John Seiberling (D-OH) and Les Aspin (D-WI) released documentation showing that the prime contractor, Rockwell International, heavily emphasized the fact that key subcontractors were located in their districts in lobbying for the system. This technique was particularly effective in the B-1 case since the program relied on 5000 subcontractors, vendors, and suppliers in over 40 states.[81] Overruns are politically protected by the large Congressional constituency which develops for a weapons system during its contracting life.

42

Unfortunately, the present contracting procedure does not allow for an unbiased assessment of a weapon's contribution to national security. In his recent study, *The Iron Triangle*, Gordon Adams of the Council on Economic Priorities found that decisions on which weapon to produce are largely determined by the close relationships between contractors, Congress and the Pentagon. Adams examined the government lobbying practices of eight major military contractors and found that they use numerous methods of influencing future trends in weapons choices. These practices also limit public participation in the defense debate. Among the most important findings of the study were:

- Each of the eight companies maintains a sizeable Washington office, spending considerable sums to lobby members of Congress and to solidify ties with the Executive Branch. They charge much of this expenditure to their Government contracts, a bill ultimately paid by all taxpayers.
- A large number of individuals move back and forth between the companies, DoD and the military services—maintaining close ties and shared perceptions on defense issues.
- Each company has created Political Action Committees (PACs) and concentrates its campaign contributions on members of Congress whose committees have authority over defense decisions and whose districts contain the firm's production facilities.
- Each firm holds memberships in key trade associations that reinforce their political influence with Government. Employees are members of numerous Federal advisory committees which provide them with early access to information on, and great influence over, future defense policies and weapons choices and great influence over their development.[82]

Without a coherent national defense policy that defines clear missions for the weapons we develop, political pressures will assure that costly new systems will continue to be produced, whether they increase our national security or not.

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Finally, while cutting government waste is a top Reagan priority, so far little has been done to economize at the Pentagon. Reports by the House Appropriations Committee and the Congressional Republican Study Committee last year found 46 ways the armed services mishandle funds, representing at least $15 billion in potential savings.[83] For example, $1 billion was lost because the Pentagon neglected to bill foreign governments for weapons and training, according to the House Committee report. Increasing competition for Pentagon contracts is another measure which could decrease defense costs. Outgoing Comptroller General of the U.S., Elmer Staats, in a letter to Defense Secretary Caspar Weinberger cited a number of measures which, if implemented, could save the DoD over $10 billion annually by 1985. The Pentagon, suggested Senators Howard Metzenbaum (D-OH) and Barry Goldwater (R-AZ), "is in a position to effect major savings without in any way sacrificing military muscle."[84]

* * *

The military cannot have it both ways. If its leaders believe sophistication will overcome numbers, they cannot logically complain about having fewer systems than the Soviets. If they want greater numbers of weapons, technical capabilities must be sacrificed for reliability and affordability. Either way, defense policy is in sufficient disarray to warrant careful reexamination before we undertake a buildup as potentially damaging as the one proposed by the present administration.

Footnotes

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2. Edward Cowan, "Spending By Military Is Defended," *New York Times*, May 4, 1981, p. D1.

3. Numerous economists have warned the administration of these problems. See James R. Capra, "The National Defense Budget and Its Economic Effects," *Quarterly Review* (New York: Federal Reserve Board of New York, Summer 1981). Gary Wenglowski *et al.* "Impact of Defense Buildup Underestimated," *The Pocket Chartroom* (New York: Goldman Sachs, June/July 1981). Bruce Carver Jackson, "Military Expenditures, Growth, and Inflation in the Seven Leading Industrial Countries" (New York: Brown Brothers Harriman & Co., July 1981). Henry Kaufman, "The Potential for Conflict in National Policies and Financial Markets" (New York: Salomon Brothers, April 1981).

4. U.S. House Committee on Armed Services, "The Ailing Defense Industrial Base: Unready For Crisis," a report of the Defense Industrial Base Panel (Washington: U.S. Congress, December 31, 1980), p. 13.

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6. Aerospace Industries Association of America, "Aerospace Employment Highest in More than a Decade But Growth is Slowing," Press Release, May 22, 1981, p. 1.

7. Hans Weiss, Remarks before the Senate Small Business Committee (Washington: National Tooling and Machining Association, July 1981), p. 2.

8. Armed Services Committee, *op. cit.*, p. 14.

9. The Office of Management and Budget mandated an inflation rate of around 10 percent for the DoD in 1931. However, Defense Department Comptroller John R. Quetsch estimated that inflation would be closer to 15 percent (quoted from "Inflation Estimate Plan for Defense is Criticized," *Aviation Week and Space Technology*, April 13, 1981, p. 26.) The Defense Science Board offered the 20 percent estimate in testimony before the Armed Services Committee hearings in the fall of 1980. 45

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12. Robert Gough, Jr., Stephen Brooks *et al.*, "More For Defense?," testimony presented to the Senate Budget Committee Hearings on Fiscal, Economic, and Manpower Issues in Defense Spending by Data Resources, Inc., March 3, 1980, p. 292-3.

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14. David Blond, "DOD Symposium," *op. cit.*, Summary Report.

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19. "The Reindustrialization of America," *Business Week*, Special Issue, June 30, 1980, p. 58.

20. "Reindustrialization," *op. cit.*, p. 58.

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28. Robert B. Reich, "Japan in the Chips," *The New York Review of Books,* November 19, 1981. See also Mary Kaldor, *The Baroque Arsenal* (New York: Hill & Wang, 1981), pp. 89-97.

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42. Jerry Mayfield, "'Factory of the Future' Researched," *Aviation Week & Space Technology,* March 5, 1979, pp. 35-37.

43. Herbert R. Northrup, "In-Plant Movement of Negroes in the Aerospace Industry," *Monthly Labor Review,* Vol. 91, No. 2, 1968, p. 25.

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Statistical Appendix

There are many difficulties in comparing data on economic performance cross-nationally. They range from finding comparable and consistent data to accounting for the basic differences between the economies of the various western industrial nations.

We used the most comparable figures we could find by relying on the Organization for Economic Cooperation and Development, the United Nations, the U.S. Bureau of Labor Statistics and the Stockholm International Peace Research Institute. Beyond the criterion of being an advanced industrial nation, we chose countries based primarily on how many data we could obtain on them. Productivity growth and compensation per hour were the major narrowing variables. But we included three nations (Austria, Denmark and Norway) for which we could not find these data.

We measured the relationships between the variables examined with a correlation coefficient. A correlation coefficient has a value between plus and minus one, which estimates the relationship between two variables (e.g. military spending and economic growth). While the method for finding correlation coefficients is too complicated to explain here, their meaning is fairly simple. Imagine two sets of numbers, the heights of a group of fathers and the heights of their daughters. If, as we might expect, the taller men were the fathers of the taller daughters, we would say that the heights of fathers and of their daughters are positively correlated. The stronger this relationship, the closer the correlation coefficient gets to one; the weaker and more random the relationship, the closer the correlation coefficient gets to zero. Similarly, with negative relationships (e.g. smoking and lung capacity), the correlation coefficient approaches negative one.

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It is important to understand that correlation coefficients measure association; they do not prove causation. For example, there is probably a high correlation between the amount of beer consumed and the number of trips to the beach made on any given day. However it would be foolish to say that drinking beer causes trips to the beach or vice versa. Instead, increases in these two factors is caused by a third, unmentioned factor—hot weather.

Of course, a correlation coefficient indicating a certain association between two variables could be caused by coincidence and not by any true relation between the two sets of numbers. To test this possibility one uses a significance test. A significance test measures the chance that the relationship shown by the correlation coefficient is the correct one. A value of over 95 percent is generally considered "statistically significant."

Since there are real differences in the size, productivity and maturity of the thirteen nations we studied, we chose to use the simplest statistical test we could to avoid attaching too much significance to the comparisons. The Spearman Rank Correlation Coefficient, along with being simple to calculate, has the added advantage of not requiring the data to be random since it is a non-parametric statistic. The relative ranking of each nation is compared for the two variables being studied. The resulting correlation coefficient and accompanying significance level gives an indication of negative, positive or no relationship between the two variables. It will not, however, reveal the magnitude of the relationship the way a regression equation will. The significance test for this non-parametric correlation coefficient is a standard normal "z" statistic.

Table AI gives our data base. Using the rank orders in Table AI we derived Table AII, a matrix of correlation coefficients. In the first column of Table AII, we see that the coefficient for military spending and productivity in the 1960s is -.75. In other words, the countries that rank high in amount of GDP spent on the military tend to rank low in productivity growth, and vice

Table AI-1

	Average GDP devoted to Military Spending [1]		Average GDP devoted to Civil Government Expenditures [2]		Total Compensation per Hour for Production Workers in Manufacturing [3]	
	Percent	Rank Order	Percent	Rank Order	Amount*	Rank Order
United States						
1960-79	7.4	1	10.9	11	5.88	5
1970-79	6.1	1	12.4	11	6.63	5
1960-69	8.8	1	9.3	11	3.42	1
United Kingdom						
1960-79	5.4	2	13.0	7	3.15	9
1970-79	4.9	2	14.9	7	3.47	9
1960-69	5.9	2	11.2	6.5	1.16	9
France						
1960-79	4.6	3	9.0	12	4.50	7
1970-79	3.9	3	10.2	12	4.96	7
1960-69	5.4	3	7.8	12	1.29	7
West Germany						
1960-79	3.9	4	13.2	6	6.09	2
1970-79	3.5	4.5	15.4	5	6.84	2
1960-69	4.3	4	10.9	8	1.60	4
Sweden						
1960-79	3.8	5	17.5	1	6.30	1
1970-79	3.5	4.5	21.1	1	7.16	1
1960-69	4.0	6	14.0	1	2.07	3
The Netherlands						
1960-79	3.7	6	12.6	8	6.00	4
1970-79	3.3	6	14.1	8	6.73	3
1960-69	4.1	5	11.2	6.5	1.41	6
Norway						
1960-79	3.3	7	13.5	5	—	—
1970-79	3.2	7	15.7	4	—	—
1960-69	3.5	7	11.3	5	—	—
Belgium						
1960-79	3.1	8	11.2	10	6.07	3
1970-79	3.0	8	12.6	10	6.69	4
1960-69	3.2	9.5	9.7	10	1.46	5
Italy						
1960-79	2.9	9	11.7	9	4.00	8
1970-79	2.6	9	12.7	9	4.57	8
1960-69	3.2	9.5	10.8	9	1.19	8
Canada						
1960-79	2.7	10	14.8	3	5.05	6
1970-79	2.0	11	17.4	3	5.71	6
1960-69	3.4	8	12.2	4	2.79	2
Denmark						
1960-79	2.6	11	16.6	2	—	—
1970-79	2.4	10	20.5	2	—	—
1960-69	2.8	11	12.8	2	—	—
Austria						
1960-79	1.2	12	13.8	4	—	—
1970-79	1.1	12	15.3	6	—	—
1960-69	1.2	12	12.3	3	—	—
Japan						
1960-79	0.9	13	7.7	13	2.92	10
1970-79	0.9	13	8.0	13	3.29	10
1960-69	0.9	13	7.4	13	.63	10

*U.S. Dollars

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Table AI-2

	Average Real Growth in Gross Domestic Product [4]		Average GDP Devoted to Private Consumption [5]	
	Percent	Rank Order	Percent	Rank Order
United States				
1960-79	3.6	11	63.0	3
1970-79	3.3	6.5	63.4	2
1960-69	3.9	12	62.6	4.5
United Kingdom				
1960-79	2.5	13	62.8	4
1970-79	2.2	12	61.1	3
1960-69	2.8	13	64.4	2
France				
1960-79	4.8	2.5	61.3	5
1970-79	3.9	5	61.0	4
1960-69	5.6	3	61.6	6
West Germany				
1960-79	3.9	9.5	55.6	11
1970-79	3.0	10	54.7	12
1960-69	4.7	9	56.4	11.5
Sweden				
1960-79	3.4	12	55.6	11
1970-79	2.0	13	53.3	13
1960-69	4.6	10	57.6	10
The Netherlands				
1960-79	4.2	7.5	57.6	8
1970-79	3.1	8.5	57.0	7
1960-69	5.2	4.5	58.3	9
Norway				
1960-79	4.4	5.5	55.6	11
1970-79	4.5	2	54.8	11
1960-69	4.3	11	56.4	11.5
Belgium				
1960-79	4.2	7.5	63.2	2
1970-79	3.3	6.5	60.9	5
1960-69	5.0	6	65.2	1
Italy				
1960-79	4.5	4	63.9	1
1970-79	3.1	8.5	64.3	1
1960-69	5.7	2	63.6	3
Canada				
1960-79	4.8	2.5	59.1	7
1970-79	4.4	3	57.1	6
1960-69	5.2	4.5	60.9	7
Denmark				
1960-79	3.9	9.5	59.3	6
1970-79	2.9	11	55.6	8
1960-69	4.8	7.5	62.6	4.5
Austria				
1960-79	4.4	5.5	57.3	9
1970-79	4.0	4	55.2	10
1960-69	4.8	7.5	59.1	8
Japan				
1960-79	8.5	1	55.4	13
1970-79	5.5	1	55.3	9
1960-69	11.2	1	55.5	13

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Table AI-3

	Average GDP Devoted to Fixed Capital Formation [6]		Rates of Change Output per Hour in Manufacturing Productivity [7]	
	Percent	Rank Order	Percent	Rank Order
United States				
1960-79	17.6	13	2.6	11
1970-79	17.3	13	2.4	10
1960-69	17.9	12	2.8	11
United Kingdom				
1960-79	18.4	12	2.9	10
1970-79	19.0	12	2.1	11
1960-69	17.8	13	3.8	10
France				
1960-79	22.7	7	5.5	6
1970-79	23.1	6	5.1	6
1960-69	22.4	7	5.8	7
West Germany				
1960-79	24.1	4	5.4	7
1970-79	23.3	5	5.2	4.5
1960-69	24.7	4	5.5	8
Sweden				
1960-79	22.4	8	5.3	8
1970-79	21.3	10	3.7	8
1960-69	23.4	6	6.8	5
The Netherlands				
1960-79	23.4	5	6.7	3
1970-79	22.6	7	6.2	2
1960-69	24.6	5	7.1	2.5
Norway				
1960-79	29.8	2	—	—
1970-79	31.4	2	—	—
1960-69	28.3	2	—	—
Belgium				
1960-79	21.4	10	6.8	2
1970-79	21.6	9	7.3	1
1960-69	21.3	10	6.4	6
Italy				
1960-79	20.8	11	6.1	4
1970-79	20.4	11	5.0	7
1960-69	21.2	11	7.1	2.5
Canada				
1960-79	22.9	9	3.9	9
1970-79	22.4	8	3.5	9
1960-69	22.0	8.5	4.3	9
Denmark				
1960-79	22.8	6	5.6	5
1970-79	23.8	4	5.3	3
1960-69	22.0	8.5	6.9	4
Austria				
1960-79	26.7	3	—	—
1970-79	27.2	3	—	—
1960-69	26.2	3	—	—
Japan				
1960-79	32.7	1	8.1	1
1970-79	33.1	1	5.2	4.5
1960-69	32.3	1	10.8	1

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Table AII

Spearman Rank Correlation Coefficients

	MS/GDP	CG/GDP	Wages	GDP Growth	Prod. Growth	I/GDP	PC/GDP
Military Spending/ GDP	—						
60s & 70s	—						
70s	—						
60s	—						
Civil Government/ GDP							
60s & 70s	-.19	—					
70s	-.10	—					
60s	-.17	—					
Wages							
60s & 70s	.21	.54	—				
70s	.23	.56*	—				
60s	.32	.38	—				
GDP Growth							
60s & 70s	-.58*	-.36	-.44	—			
70s	-.49*	-.40	-.48	—			
60s	-.53*	-.43	-.46	—			
Productivity Growth							
60s & 70s	-.66*	-.37	-.12	.60*	—		
70s	-.43	-.12	.28	.13	—		
60s	-.75*	-.05	-.52	.69*	—		
Investment/ GDP							
60s & 70s	-.52*	.10	.10	.43	.56*	—	
70s	-.61*	.07	.10	.54*	.84*	—	
60s	-.42	.09	-.12	.25	.54*	—	
Private Consumption/ GDP							
60s & 70s	.29	-.29	-.15	-.13	-.13	-.82*	—
70s	.26	-.57*	-.54	-.01	-.38	-.63*	—
60s	.17	.09	-.03	-.09	-.30	-.89*	—

*Statistically significant at the 95% level.

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versa. Furthermore, this coefficient has a 95 percent significance level. Thus we can be sure that there really is a negative association between military spending and productivity, and that the negative coefficient is not just a statistical coincidence. The correlations in Table AII are similar for both decades studied. This adds to our confidence in the accuracy of our study.

One interesting finding was that there is no apparent relationship between private consumption as a share of GDP and military spending. We expected to find a negative relation but instead found none. Thus, military spending probably does not decrease current consumption. Instead, to compensate for arms spending, the slice of the pie that seems to be reduced the most is investment.

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Footnotes to Appendix

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IMPACT ON EMPLOYMENT

Mr. DICKS. Where did you get these numbers on employment impact of alternative uses of $1 billion of new financial demand?

Mr. DAGGETT. I should say I am not the direct researcher who did this work. These statistics come generally from the Bureau of Labor Statistics data. They do what they do as an input/output analysis of the impact of different kinds of spending on different parts of the economy.

These are generally based on 1972 figures. All we have done is update them using inflation rates to 1980 figures.

I should say there has been a tendency to misstate the reasons military spending creates relatively fewer jobs. It is not in general that military spending is more capital intensive than other kinds of industrial production.

In general, the reason is simply that the kinds of workers which are involved in military production tend to be relatively highly skilled and therefore relatively highly paid.

That raises another and related employment question. That the kinds of jobs, as well as the number of jobs which military spending create, tend to come either in skilled jobs or parts of the country where employment is a problem. Military spending creates lots of jobs for aerospace engineers in Palo Alto but not jobs for black kids in Toledo or Detroit.

Mr. DICKS. Neither will all the other things you mentioned. If you are building mass transit systems, that is not going to.

Mr. DAGGETT. I dispute that. I think it depends upon where you put the plants, what kinds of plants are being turned over to production for mass transit. It certainly would create operating jobs in central cities.

Mr. DICKS. I guess I don't react well to this jobs thing. I never thought defense spending should be justified on that basis at all. You can't say it is a billion dollars that will create this many defense jobs and support it on that basis, in my view.

Mr. Edwards?

Mr. EDWARDS. No questions, Mr. Chairman.

Mr. DICKS. Thank you. Very good statement.

WEDNESDAY, AUGUST 11, 1982.

PROCUREMENT OF COMMERCIAL AND INDUSTRIAL TYPE SERVICES FOR THE DEPARTMENT OF DEFENSE

WITNESS

GEORGE A. DAOUST, JR., EXECUTIVE DIRECTOR, NATIONAL COUNCIL OF TECHNICAL SERVICE INDUSTRIES

Mr. DICKS. Mr. George A. Daoust, Jr., National Council of Technical Service Industries.

Mr. DAOUST. Mr. Chairman.

Mr. DICKS. Nice to have you here. Please proceed. We will put your entire statement in the record. You may summarize.

STATEMENT OF MR. DAOUST

Mr. DAOUST. Thank you, sir.

I am George Daoust, Executive Director for the National Council of Technical Service Industries (NCTSI). NCTSI is an association of 23 companies dedicated to the idea that private business can best supply most of the support services needed for efficient government operations. NCTSI member companies, under contract, now provide a great variety of the services that federal agencies require to carry out their assigned missions.

CONTRACTING OUR FOR COMMERCIAL AND INDUSTRIAL TYPE SERVICES

The issue we are discussing here today is neither simple nor easily understood. However, it has become emotional and controversial. The very term, contracting out, arouses an immediate reaction from many in government and in industry. But, what are we really talking about? We are talking about procuring commercial and industrial type services for the Department of Defense.

This is the first key point which cannot be overemphasized, commercial and industrial type services. Nothing of a governmental nature; nothing involving policy or a military function. This last term, military function, may cause some concern. Uniformed military personnel may be able, and in fact are undoubtedly now performing most if not all of the kinds of commercial and industrial type tasks we are discussing. That does not change the nature of the work, nor mean that only government personnel can or should be allowed to perform such tasks.

Vast savings can also be realized from having contractors rather than civil servants perform most commercial and industrial type work.

Mr. DICKS. How can you say that? Based on what analysis?

Mr. DAOUST. Based, for example, on the analysis of 66 contracts let by the Department of Defense in fiscal years 1979, 1980 and 1981.

POST CONTRACT AUDITS

Mr. DICKS. How many had post-contract audits done to show what the cost comparisons would be if the work was done in-house or outside?

Mr. DAOUST. Unfortunately, there are, to the best of my knowledge, no such audits being made of the work being kept in-house or a comparison of what is done in actual practice. But as far as the efficiency of what goes on in these contracts, there are the audits that are conducted with them. There is also the general standard the DOD has found that the increase in costs are due to increased tasking.

There are horror stories of prices going up. But not in this industrial commercial type work and not when it is being handled properly.

Mr. DICKS. I am glad you made those other footnotes to your statement.

Please proceed.

Mr. DAOUST. Yes, sir.

Somewhere between one quarter and one half of all civilian employees of the Department of Defense are doing tasks which can be done by the private sector at savings of up to 50 percent. This work is not governmental in nature. It is not a combat function. And it certainly does not have to be done by government employees.

General Accounting Office reports and DOD data both show contracting this type work out results in great savings. DOD statistics also show military readiness, where it can be measured, is frequently increased with contractor maintenance. The only valid problems connected with contracting out involve procurements which are improperly let or administered.

In every case in which there is a problem with a service contract, procurement officials and/or project monitors have through ignorance, inefficiency or complicity permitted or caused the problem.

The Congress in hearings and the GAO in its investigations have periodically identified poor service procurement practices. They occur in a very small number of cases, and are certainly the exception, but they do make interesting stories.

EFFICIENT MANAGEMENT

The solution to the problem of pool procurements is better management; not stopping the procurement of contractor services. The manager that cannot provide proper oversight of a contract work force probably cannot properly supervise an in-house work force either. The procurement officer that cannot execute a proper service contract may not do better with a contract for hardware, and should be given further training or replaced.

To stop the procurement of commercial services because the DOD cannot, in a few cases manage them, is wrong. If DOD procurement is occasionally so bad that a moratorium is needed on

contracting with the private sector, it behooves this committee to examine the problem in DOD procurement.

It is ironic that the action recommended in response to poor management in DOD is to preclude obtaining competent management from the private sector. One of the major assets obtained in contracting out for services is efficient management, which accounts for much of the cost savings.

Since about 85 percent of the workers are the same individuals when a conversion to contract occurs, savings result from better management and increased productivity with the accompanying reduced staffing.

USE OF CIVIL SERVANTS FOR COMMERCIAL AND INDUSTRIAL TASKS

Senior members of the Armed Services Committee have recommended that a law be passed which would end, once and for all the question of contracting out commercial and industrial type work. The difficulty is, how to design such a law. We have had a national policy for 27 years which in its various forms states that the government will rely on the private sector for needed goods and services.

The latest version, OMB Circular A-76, includes the statement that "In a democratic free enterprise economic system, the government should not compete with its citizens." Despite this policy, over one quarter of the civil service are competing as skilled mechanics, electricians, welders or other blue-collar workers.

Government data centers establish marketing offices and provide discount service in direct competition with private industry. Jobs like firefighting, which a great many volunteers and many professionals in the private sector perform regularly and with great skill, are being set aside as the exclusive domain of government employees. With 15.5 percent of our workers government employees, we should not be extending the civil service further into commercial jobs. Rather, they could be employed by the private sector in their jobs, putting incentive back into our economy.

Mr. DICKS. You are not saying 15.5 percent of our workers are government employees?

Mr. DAOUST. No. Federal, State, and municipal. The whole thing is expanding.

Mr. DICKS. I just wanted to be sure I understood.

Mr. DAOUST. For example, consideration should be given to forbidding the civil service from working at certain commercial and industrial tasks. This program could start out small, but would have a salutary effect on our society. Looking around at what is the most typical small business in America, I thought of the corner grocery store. And right there I have a problem; in the Department of Defense they call them commissaries, and that is already too controversial an issue in which to attempt to make any progress.

Perhaps building and ground maintenance could be considered a nongovernmental, noncombat task which could be entrusted to the private citizens of this country. Certainly the buildings and grounds won't deploy with the units they house.

Contracting out such functions to the private sector would improve the local economy at each base, camp and station. The work-

ers at each facility would be for the most part from that locality, and any newcomers would be soon incorporated into the community. Unlike most military and many in the civil service, workers in the private sector are not only part of the local community—they are the local community.

That is one of the strangest parts of this whole issue of contracting out. Somehow, in Washington, D.C., all the people not in the government become "them"; the private sector that cannot be trusted. It is shocking to hear members of Congress denouncing as a class "contractors", especially ones that make a profit. That is what America is about—some 210 million people that are in the private sector; i.e., they do not work directly for the government.

Right now they need help. They need someone here to say we are going to keep on having a healthy private sector in our economy. In 1982, when Defense is the only section of the economy which is expanding it is hard for the many small business firms in firefighting and security service to learn that they cannot work for the Department of Defense.

I know, lots of them have been calling me. Small business firms. Not members of NCTSI. What do they want? They want a chance to compete to work at their profession.

There are lots of other workers out there in the private sector that also do not understand why the House has voted that no cost comparisons can be made to find out who can most efficiently do the commercial and industrial tasks needed by our government. They find it hard to believe that government lawns, their government's lawns, can only be cut by civil servants. That only a government painter can paint the buildings their taxes brought and are maintaining.

COST SAVINGS IN CONTRACTING OUT

The cost savings alone are reason enough to turn to the private sector for commercial and industrial work. In every case where a contract is let the non-governmental worker must be at least 10 percent cheaper than the civil servant. Incidentally, the cost comparison is made using figures which understate the civil servant's cost by 36.5 percent.

Mr. DICKS. Where do you get that?

Mr. DAOUST. From the fact that in the budget being passed by the Congress, there is 36 percent of salary put into the civil service retirement, each and every year.

Mr. DICKS. That is also taken into account on every comparison on contracting out.

Mr. DAOUST. 36 percent is what is in the budget.

Mr. DICKS. 36 percent of what?

Mr. DAOUST. Salary. Every civil servant has 36 percent of his or her salary put into the retirement program each year. That is in the budget, 1979, 1980, 1981, 1982. It will be in 1983.

Mr. DICKS. You are saying that 36 percent—I think—we have heard about statistics, but I would like you to document that. You make a lot of statements and I don't see a footnote here.

As a lawyer, I would like footnotes. I think you ought to, when you make these kind of statements. I think this committee deserves documentation.

If you are representing all the people you attached here, I think you can get it for us. I would like to see you document some of these statements.

Mr. EDWARDS. As long as you have stopped him at that point, I want to get in there a little bit.

How do you account for the difference between 20.4 percent, I believe you said, and 36.5 percent? Where is that other 16 percent going?

Mr. DAOUST. 20.4 is the figure that has been accepted. That has been haggled over with a great deal of give and take. It has been up and down. It has been established by the Office of Management and Budget dependent on what they can get as a practical number that is acceptable.

That is one of the peculiar things in this whole business, sir. We have the Department of Defense publishing a statistic that they have saved $230 million with a certain project. They will come over and testify it is $70 million. I say why? They say, that is all they will accept. That is all they will accept. It is not a fact. Yet that is the sort of thing happening.

The figure of 20.4 percent is put into the implementation of OMB Circular A-76. That is all the Office of Management and Budget will accept as a retirement figure. Yet in the budget—and Senator Stevens is quoted in one document I have that it is 36 percent. It is also in the budget at 36 percent.

Mr. DICKS. Of what?

Mr. DAOUST. Salary.

Mr. DICKS. You are saying if you take the salary of a civil servant, that you have to add 36 percent to whatever their salary is? Say they are making $20,000? You have to add 36 percent to get an apples and apples comparison with what they are paying an individual in the private sector? Is that what you are saying?

Mr. DAOUST. For every dollar in salary paid out for the federal civil servant, there is 36 percent put into their retirement program each year in the budget. That is what I am saying.

Mr. DICKS. I am not sure that is a valid comparison.

We are putting in 7.5 percent. Each of us puts 7.5 percent into our retirement. What you are saying is that the cost of funding the retirement program——

Mr. DAOUST. Is 36 cents on the dollar.

Mr. DICKS. For every dollar they are paying out——

Mr. DAOUST. In salary.

Mr. DICKS. I am not sure that gives you the kind of comparison in terms of what the actual compensation rates are between the private sector and the public sector. That is what we ought to be talking about.

Mr. DAOUST. In business, if I have to pay 36 cents every year, right now, on my employees, I have to charge that, otherwise I will not stay in business. That figure of 20.4 is accepted because half of the people in Office of Personnel Management—Office of Management and Budget say we are making up for the past. We have this uncovered funding.

The other half say we are making up the future.

Mr. EDWARDS. We are underfunded about one trillion dollars.

Mr. DAOUST. The others say we are making up for the future. In actual fact, instead of 20.4 right now, 36 cents is being spent each year for every dollar of salary.

Mr. DICKS. As you suggest, some of that is because prior Congresses have underfunded the retirement program, not because that is an apples and apples comparison.

I just think you have a responsibility, since you represent these rather substantial people, to give us some documentation. There are a lot of statistics here that I find interesting, but I would like and I think the committee deserves to know from where you derive this information.

Mr. DAOUST. It would be a great pleasure.

Mr. EDWARDS. You have a wonderful opportunity because most of the people who say we ought not to contract out represent districts where there are a lot of factories. Those of us who don't represent those kinds of areas, on the other hand, simply don't have information to the contrary for use in debating this subject. All we basically have for our use is what the Pentagon itself says to us vis a vis contracting out.

So if you really want to serve the purpose of that group that you represent, it would seem to me that you would not only take the Chairman's advice and footnote your remarks, but you would give us some detail so that when that times comes for mark-up, we would have another voice.

Mr. DAOUST. Thank you, sir.

Mr. EDWARDS. That is about as good an opportunity as anyone has every been given.

Mr. DICKS. And that is very fair.

Mr. DAOUST. It is indeed.

Mr. DICKS. I think most of us are interested. I have a district that does have a lot of government employees. I also have a number of very substantial contractors who do contract work. And they pay taxes. When you have an area that has a lot of government employees, you also have the problem that the military doesn't pay any property taxes and it makes financing local government very difficult.

So I am not opposed to contractors. I am just, as a lawyer, always concerned about facts; and I think there are a lot of statements being made that I would like to see the underpinnings for. Because I don't think it is quite as clearcut in my mind that there are these dramatic differences based on having worked on this issue for 14 years.

I would love to see that, because I have a lot of respect for the clients here. I would like to see the underpinnings for that, so we can ask the Department of Defense to come in and tell us one way or the other about this.

Mr. DAOUST. That is more than I hoped to achieve here today. That is fair indeed.

Mr. DICKS. We want to be fair.

Mr. DAOUST. What is important is why all these constraints are being placed on our private sector working for the government.

In 1981, the permanent full-time civil service increased by 8,404 people. In addition, some 11,500 others had been added to offset the

PATCO strikers. The Department of Defense added 39,626 permanent, full-time federal employees in 1981.

Mr. DICKS. How many did they lose?

Mr. DAOUST. That is the net figure, sir. There was a net increase of that many.

Mr. DICKS. All right.

Mr. DAOUST. Granted, there have been some RIFs, and some consolidation of part-time employees. But the totals continue to climb. As of April 30, 1982, the last figure released by the Office of Personnel Management, there were 10,347 more permanent, full-time federal employees than on January 1, 1981. Again, that is in addition to filling some 11,500 PATCO vacancies.

The time has clearly come to put a stop to the expansion of government into private sector functions. Something should be done to prohibit the further growth of government into commercial and industrial activities. The experience of other industrial nations which have not controlled governmental expansion into private sector functions predicts a gloomy future for our democracy.

Setting aside the maintenance of our military buildings and grounds as a task to be performed by the private sector will be a start. Something has to be done to help our economy and save money.

Thank you, Mr. Chairman, for this opportunity to express these views on a most important issue.

[The statement of George A. Daoust follows:]

TESTIMONY

BEFORE

THE

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON DEPARTMENT OF DEFENSE APPROPRIATIONS

AUGUST 11, 1982

DR. GEORGE A. DAOUST, JR.
EXECUTIVE DIRECTOR
NATIONAL COUNCIL OF
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MR. CHAIRMAN, I AM GEORGE DAOUST, EXECUTIVE DIRECTOR OF THE NATIONAL COUNCIL OF TECHNICAL SERVICE INDUSTRIES (NCTSI). NCTSI IS AN ASSOCIATION OF 23 COMPANIES DEDICATED TO THE IDEA THAT PRIVATE BUSINESS CAN BEST SUPPLY MOST OF THE SUPPORT SERVICES NEEDED FOR EFFICIENT GOVERNMENT OPERATIONS. NCTSI MEMBER COMPANIES, UNDER CONTRACT, NOW PROVIDE A GREAT VARIETY OF THE SERVICES THAT FEDERAL AGENCIES REQUIRE TO CARRY OUT THEIR ASSIGNED MISSIONS.

THE ISSUE WE ARE DISCUSSING HERE TODAY IS NEITHER SIMPLE NOR EASILY UNDERSTOOD. HOWEVER, IT HAS BECOME EMOTIONAL AND CONTROVERSIAL. THE VERY TERM, CONTRACTING OUT, AROUSES AN IMMEDIATE REACTION FROM MANY IN GOVERNMENT AND IN INDUSTRY. BUT, WHAT ARE WE REALLY TALKING ABOUT? WE ARE TALKING ABOUT PROCURING COMMERCIAL AND INDUSTRIAL TYPE SERVICES FOR THE DEPARTMENT OF DEFENSE.

THIS IS THE FIRST KEY POINT WHICH CANNOT BE OVEREMPHASIZED, COMMERCIAL AND INDUSTRIAL TYPE SERVICES. NOTHING OF A GOVERNMENTAL NATURE; NOTHING INVOLVING POLICY OR A MILITARY FUNCTION. THIS LAST TERM, MILITARY FUNCTION, MAY CAUSE SOME CONCERN. UNIFORMED MILITARY PERSONNEL MAY BE ABLE, AND IN FACT ARE UNDOUBTEDLY NOW PERFORMING MOST IF NOT ALL OF THE KINDS OF COMMERCIAL AND INDUSTRIAL TYPE TASKS WE ARE DISCUSSING. THAT DOES NOT CHANGE THE NATURE OF THE WORK, NOR MEAN THAT ONLY GOVERNMENT PERSONNEL CAN OR SHOULD BE ALLOWED TO PERFORM SUCH TASKS.

MILITARY MANPOWER IS THE MOST EXPENSIVE COMPONENT OF OUR DEFENSE EFFORT. IF IT IS POSSIBLE TO REPLACE UNIFORMED PERSONNEL WITH CONTRACTORS PERFORMING COMMERCIAL AND INDUSTRIAL TYPE TASKS THERE IS A FAR GREATER DOLLAR SAVINGS THAN THAT REFLECTED IN THE COMPENSATION PACKAGE OF THE INDIVIDUALS. THE LAST BATCH OF MEN BROUGHT INTO THE MILITARY REALLY SET THE LEVEL OF COST FOR THE ENTIRE GROUP. SINCE COMPENSATION AND BENEFITS ARE GENERALLY PROVIDED EQUALLY TO ALL, SUBSTANTIAL REDUCTION IN MILITARY MANPOWER REQUIREMENTS SAVES FAR MORE THAN THE COST OF THESE INDIVIDUALS. CONTRACTING OUT COMMERCIAL AND INDUSTRIAL TASKS IS ONE OF THE EASIEST WAYS TO REDUCE MILITARY MANPOWER REQUIREMENTS.

VAST SAVINGS CAN ALSO BE REALIZED FROM HAVING CONTRACTORS RATHER THAN CIVIL SERVANTS PERFORM MOST COMMERCIAL AND INDUSTRIAL TYPE WORK. SOMEWHERE BETWEEN ONE QUARTER TO ONE HALF OF ALL CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE ARE DOING TASKS WHICH CAN BE DONE BY THE PRIVATE SECTOR AT SAVINGS OF UP TO 50%. THIS WORK IS NOT GOVERNMENTAL IN NATURE. IT IS NOT A COMBAT FUNCTION. AND IT CERTAINLY DOES NOT HAVE TO BE DONE BY GOVERNMENT EMPLOYEES.

GENERAL ACCOUNTING OFFICE REPORTS AND DOD DATA BOTH SHOW CONTRACTING THIS TYPE WORK OUT RESULTS IN GREAT SAVINGS. DOD STATISTICS ALSO SHOW MILITARY READINESS, WHERE IT CAN BE MEASURED, IS FREQUENTLY INCREASED WITH CONTRACTOR MAINTENANCE. THE ONLY VALID PROBLEMS CONNECTED WITH CONTRACTING OUT INVOLVE PROCUREMENTS WHICH ARE IMPROPERLY LET OR ADMINISTERED. IN EVERY CASE IN WHICH THERE IS A PROBLEM WITH A SERVICE CONTRACT, PROCUREMENT OFFICIALS AND/OR PROJECT MONITORS HAVE THROUGH IGNORANCE, INEFFICIENCY OR COMPLICITY PERMITTED OR CAUSED THE PROBLEM.

THE CONGRESS IN HEARINGS AND THE GAO IN ITS INVESTIGATIONS HAVE PERIODICALLY IDENTIFIED POOR SERVICE PROCUREMENT PRACTICES. THEY OCCUR IN A VERY SMALL NUMBER OF CASES, AND ARE CERTAINLY THE EXCEPTION, BUT THEY DO MAKE INTERESTING STORIES. THE SOLUTION TO THE PROBLEM OF POOR PROCUREMENTS IS BETTER MANAGEMENT; NOT STOPPING THE PROCUREMENT OF CONTRACTOR SERVICES. THE MANAGER THAT CANNOT PROVIDE PROPER OVERSIGHT OF A CONTRACT WORK FORCE PROBABLY CANNOT PROPERLY SUPERVISE AN IN-HOUSE WORK FORCE EITHER. THE PROCUREMENT OFFICER THAT CANNOT EXECUTE A PROPER SERVICE CONTRACT MAY NOT DO BETTER WITH A CONTRACT FOR HARDWARE, AND SHOULD BE GIVEN FURTHER TRAINING OR REPLACED.

TO STOP THE PROCUREMENT OF COMMERCIAL SERVICES BECAUSE THE DOD CANNOT, IN A FEW CASES MANAGE THEM, IS WRONG. IF DOD PROCUREMENT IS OCCASIONALLY SO BAD THAT A MORATORIUM IS NEEDED ON CONTRACTING WITH THE PRIVATE SECTOR, IT BEHOOVES THIS COMMITTEE TO EXAMINE THE PROBLEM IN DOD PROCUREMENT.

IT IS IRONIC THAT THE ACTION RECOMMENDED IN RESPONSE TO POOR MANAGEMENT IN DOD IS TO PRECLUDE OBTAINING COMPETENT MANAGEMENT FROM THE PRIVATE SECTOR. ONE OF THE MAJOR ASSETS OBTAINED IN CONTRACTING OUT FOR SERVICES IS EFFICIENT MANAGEMENT, WHICH ACCOUNTS FOR MUCH OF THE COST SAVINGS. SINCE ABOUT 85% OF THE WORKERS ARE THE SAME INDIVIDUALS WHEN A CONVERSION TO CONTRACT OCCURS, SAVINGS RESULT FROM BETTER MANAGEMENT AND INCREASED PRODUCTIVITY WITH THE ACCOMPANYING REDUCED STAFFING.

SENIOR MEMBERS OF THE ARMED SERVICES COMMITTEE HAVE RECOMMENDED THAT A LAW BE PASSED WHICH WOULD END, ONCE AND FOR ALL THE QUESTION OF CONTRACTING OUT COMMERCIAL AND INDUSTRIAL TYPE WORK. THE DIFFICULTY IS, HOW TO DESIGN SUCH A LAW. WE HAVE HAD A NATIONAL POLICY FOR 27 YEARS WHICH IN ITS VARIOUS FORMS STATES THAT THE GOVERNMENT WILL RELY ON THE PRIVATE SECTOR FOR NEEDED GOODS AND SERVICES.

THE LATEST VERSION, OMB CIRCULAR A-76, INCLUDES THE STATEMENT THAT "IN A DEMOCRATIC FREE ENTERPRISE ECONOMIC SYSTEM, THE GOVERNMENT SHOULD NOT COMPETE WITH ITS CITIZENS." DESPITE THIS POLICY, OVER ONE QUARTER OF THE CIVIL SERVICE ARE COMPETING AS SKILLED MECHANICS, ELECTRICIANS, WELDERS OR OTHER BLUE-COLLAR WORKERS. GOVERNMENT DATA CENTERS ESTABLISH MARKETING OFFICES AND PROVIDE DISCOUNT SERVICE IN DIRECT COMPETITION WITH PRIVATE INDUSTRY. JOBS LIKE FIRE FIGHTING, WHICH A GREAT MANY VOLUNTEERS AND MANY PROFESSIONALS IN THE PRIVATE SECTOR PERFORM REGULARLY AND WITH GREAT SKILL, ARE BEING SET ASIDE AS THE EXCLUSIVE DOMAIN OF GOVERNMENT EMPLOYEES. WITH 15.5% OF OUR WORKERS GOVERNMENT EMPLOYEES WE SHOULD NOT BE EXTENDING THE CIVIL SERVICE FURTHER INTO COMMERCIAL JOBS. RATHER, THEY COULD BE EMPLOYED BY THE PRIVATE SECTOR IN THEIR JOBS, PUTTING INCENTIVE BACK INTO OUR ECONOMY.

FOR EXAMPLE, CONSIDERATION SHOULD BE GIVEN TO FORBIDDING THE CIVIL SERVICE FROM WORKING AT CERTAIN COMMERCIAL AND INDUSTRIAL TASKS. THIS PROGRAM COULD START OUT SMALL, BUT WOULD HAVE A SALUTARY EFFECT ON OUR SOCIETY. LOOKING AROUND AT WHAT IS THE MOST TYPICAL SMALL BUSINESS IN AMERICA I THOUGHT OF

THE CORNER GROCERY STORE. AND RIGHT THERE I HAVE A PROBLEM; IN THE DEPARTMENT OF DEFENSE THEY CALL THEM COMMISSARIES, AND THAT IS ALREADY TOO CONTROVERSIAL AN ISSUE IN WHICH TO ATTEMPT TO MAKE ANY PROGRESS.

PERHAPS BUILDING AND GROUND MAINTENANCE COULD BE CONSIDERED A NON-GOVERNMENTAL, NON-COMBAT TASK WHICH COULD BE ENTRUSTED TO THE PRIVATE CITIZENS OF THIS COUNTRY. CERTAINLY THE BUILDINGS AND GROUNDS WON'T DEPLOY WITH THE UNITS THEY HOUSE.

CONTRACTING OUT SUCH FUNCTIONS TO THE PRIVATE SECTOR WOULD IMPROVE THE LOCAL ECONOMY AT EACH BASE, CAMP AND STATION. THE WORKERS AT EACH FACILITY WOULD BE FOR THE MOST PART FROM THAT LOCALITY, AND ANY NEWCOMERS WOULD BE SOON INCORPORATED INTO THE COMMUNITY. UNLIKE MOST MILITARY AND MANY IN THE CIVIL SERVICE, WORKERS IN THE PRIVATE SECTOR ARE NOT ONLY PART OF THE LOCAL COMMUNITY — THEY ARE THE LOCAL COMMUNITY.

THAT IS ONE OF THE STRANGEST PARTS OF THIS WHOLE ISSUE OF CONTRACTING OUT. SOMEHOW, IN WASHINGTON, D. C. ALL THE PEOPLE NOT IN THE GOVERNMENT BECOME "THEM"; THE PRIVATE SECTOR THAT CAN NOT BE TRUSTED. IT IS SHOCKING TO HEAR MEMBERS OF CONGRESS DENOUNCING AS A CLASS "CONTRACTORS", ESPECIALLY ONES THAT MAKE A PROFIT. THAT IS WHAT AMERICA IS ABOUT — SOME 210 MILLION PEOPLE THAT ARE IN THE PRIVATE SECTOR; I.E., THEY DO NOT WORK DIRECTLY FOR THE GOVERNMENT.

RIGHT NOW THEY NEED HELP. THEY NEED SOMEONE HERE TO SAY WE ARE GOING TO KEEP ON HAVING A HEALTHY PRIVATE SECTOR IN OUR ECONOMY. IN 1982, WHEN DEFENSE IS THE ONLY SECTION OF THE ECONOMY WHICH IS EXPANDING IT IS HARD FOR THE MANY SMALL BUSINESS FIRMS IN FIREFIGHTING AND SECURITY SERVICE TO LEARN THAT THEY CANNOT WORK FOR THE DEPARTMENT OF DEFENSE. I KNOW, LOTS OF THEM HAVE BEEN CALLING ME. SMALL BUSINESS FIRMS. NOT MEMBERS OF NCTSI. WHAT DO THEY WANT? THEY WANT A CHANCE TO COMPETE TO WORK AT THEIR

PROFESSION.

THERE ARE LOTS OF OTHER WORKERS OUT THERE IN THE PRIVATE SECTOR THAT ALSO DO NOT UNDERSTAND WHY THE HOUSE HAS VOTED THAT NO COST COMPARISONS CAN BE MADE TO FIND OUT WHO CAN MOST EFFICIENTLY DO THE COMMERCIAL AND INDUSTRIAL TASKS NEEDED BY OUR GOVERNMENT. THEY FIND IT HARD TO BELIEVE THAT GOVERNMENT LAWNS, THEIR GOVERNMENT'S LAWNS, CAN ONLY BE CUT BY CIVIL SERVANTS. THAT ONLY A GOVERNMENT PAINTER CAN PAINT THE BUILDINGS THEIR TAXES BOUGHT AND ARE MAINTAINING.

THE COST SAVINGS ALONE ARE REASON ENOUGH TO TURN TO THE PRIVATE SECTOR FOR COMMERCIAL AND INDUSTRIAL WORK. IN EVERY CASE WHERE A CONTRACT IS LET THE NON-GOVERNMENTAL WORKER MUST BE AT LEAST 10% CHEAPER THAN THE CIVIL SERVANT. INCIDENTALLY, THE COST COMPARISON IS MADE USING FIGURES WHICH UNDERSTATE THE CIVIL SERVANTS COST BY 36.5%. COMPARED WITH THE ABSOLUTE BAN ON CONTRACTING FOR FIRE FIGHTING AND SECURITY SERVICES AND THE PROHIBITION ON CONDUCTING COST COMPARISONS, A 36.5% DISCREPANCY IN COSTING IS NOT TOO IMPORTANT. WHAT IS IMPORTANT IS WHY ALL OF THESE CONSTRAINTS ARE BEING PLACED ON OUR PRIVATE SECTOR WORKING FOR THE GOVERNMENT.

IN 1981 THE PERMANENT FULL-TIME CIVIL SERVICE INCREASED BY 8,404 PEOPLE. IN ADDITION SOME 11,500 OTHERS HAD BEEN ADDED TO OFFSET THE PATCO STRIKERS. THE DEPARTMENT OF DEFENSE ADDED 39,626 PERMANENT, FULL-TIME FEDERAL EMPLOYEES IN 1981. GRANTED, THERE HAVE BEEN SOME RIF'S, AND SOME CONSOLIDATION OF PART-TIME EMPLOYEES. BUT THE TOTALS CONTINUE TO CLIMB. AS OF APRIL 30, 1982, THE LAST FIGURE RELEASED BY THE OFFICE OF PERSONNEL MANAGEMENT, THERE WERE 10,347 MORE PERMANENT, FULL TIME FEDERAL EMPLOYEES THAN ON JANUARY 1, 1981. AGAIN, THAT IS IN ADDITION TO FILLING SOME 11,500 PATCO VACANCIES.

THE TIME HAS CLEARLY COME TO PUT A STOP TO THE EXPANSION OF GOVERNMENT INTO PRIVATE SECTOR FUNCTIONS. SOMETHING SHOULD BE DONE TO PROHIBIT THE FURTHER GROWTH OF GOVERNMENT INTO COMMERCIAL AND INDUSTRIAL ACTIVITIES. THE EXPERIENCE OF OTHER INDUSTRIAL NATIONS WHICH HAVE NOT CONTROLLED GOVERNMENTAL EXPANSION INTO PRIVATE SECTOR FUNCTIONS PREDICTS A GLOOMY FUTURE FOR OUR DEMOCRACY. SETTING ASIDE THE MAINTENANCE OF OUR MILITARY BUILDINGS AND GROUNDS AS A TASK TO BE PERFORMED BY THE PRIVATE SECTOR WILL BE A START. SOMETHING HAS TO BE DONE TO HELP OUR ECONOMY AND SAVE MONEY.

THANK YOU, MR. CHAIRMAN, FOR THIS OPPORTUNITY TO EXPRESS THESE VIEWS ON A MOST IMPORTANT ISSUE.

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Mr. DICKS. Thank you very much.

Mr. EDWARDS. Mr. Chairman, it looks like we have two statements here. One perhaps has been updated.

Mr. DAOUST. Yes. The errors have been taken out of it.

Mr. EDWARDS. I wanted to be sure I had the right page when I asked you the question.

Mr. DICKS. I must not have the updated version.

Mr. EDWARDS. On the top of page 6, the first full paragraph—well, the question I wanted to ask you, staff was up here just telling me all about it. That has to do with the first full paragraph on page 6.

I understand from the staff that that House vote you are talking about came out of the Armed Services Committee, not this subcommittee.

Mr. DAOUST. That is correct, the Fazio Amendment to the Appropriations Bill, sir.

Mr. EDWARDS. It does not make good sense, does it?

Mr. DAOUST. We don't think so.

Mr. EDWARDS. You may want to elaborate on that when you give us the footnotes.

Mr. DAOUST. I would be happy to.

WEDNESDAY, AUGUST 11, 1982.

NUCLEAR ARMS RACE

WITNESS

REGENE H. SILVER, WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM

Mr. DICKS. Ms. Regene H. Silver, Women's International League for Peace and Freedom.

STATEMENT AT MS. SILVER

Ms. SILVER. Mr. Chairman, members of the committee, the Women's International League for Peace and Freedom was founded in 1915. The League has sections in 25 countries and 130 branches in the United States. It works primarily through education and citizen actions to achieve peace, freedom and justice by non-violent means. It has consultative status B at the United Nations. We are grateful to the House Appropriations Subcommittee on Defense for giving us this opportunity to express our point of view.

We are urging the deletion of fiscal year 1983 funds for the Pershing II and Cruise missiles, scheduled to be deployed throughout Europe beginning in December of 1983. We believe it is critical that these weapons are not deployed for the following reasons:

First, the deployment of the Pershing II and Cruise missiles in Europe represents a major escalation in the arms race. These missiles are part of a new generation of nuclear weapons whose accuracy and speed increase the risk of nuclear war.

Second, there is a growing mass movement within both the United States and Europe to halt the arms race, and specifically the deployment of the Pershing II and Cruise missiles.

Third, there have been a myriad of problems reported in the production of the Pershing II and Cruise missiles. On July 22, during its first test run, the Pershing II exploded 17 seconds into its flight. In the last year, the General Accounting Office has issued several reports delineating problems with the Cruise missile, especially in regard to its TERCOM guidance system, the key to the Cruise's alleged precision. It appears unwise to continue funds for missiles which are reported to not work.

At this time, I would like to expand on these three points.

NUCLEAR ARMS RACE

The Women's International League believes that the deployment of the Pershing II and Cruise missiles in Europe brings us precariously close to nuclear war. With the deployment of these two new

missiles systems it appears that the United States is attempting to gain strategic superiority over the Soviet Union, and to use this superiority to frighten the Soviets into arms reductions.

If it were possible to do this, the arms race would have ended 20 years ago when the United States did possess a nuclear arsenal superior to that of the Soviets. However, since the 1950s, the Soviet Union has emulated the United States in our escalation of the nuclear arms race, and promised to continue to keep up with us weapon by weapon.

In September of 1981, Soviet President Brezhnev said that the Reagan Administration efforts to gain strategic superiority are doomed to failure, and that the Soviet Union would produce "a proper counterbalance" to any new weapons system developed by the United States. President Brezhnev stated: "I shall say with all responsibility that we shall not remain indifferent to the appearance of such weapons in the arsenals of the United States and other NATO members."

As of December 1983, if the deployment of the Pershing II and Cruise missiles proceeds as scheduled, the Soviet Union will be faced with counterbalancing two new weapons systems which will dramatically alter the global balance of nuclear weaponry.

The Carter and Reagan Administrations have justified the deployment of the Pershing II and Cruise missiles as a means of countering Soviet SS 20 intermediate-range missiles. However, NATO already has thousands of nuclear weapons in Europe, both tactical and intermediate-range, which are designed to deter possible conventional or nuclear attack by the Soviet Union.

Once the Pershing II missiles are stationed in the Federal Republic of Germany, they will be able to reach and destroy Soviet cities and military installations within four to six minutes. The Soviets have said that they will retaliate in kind, placing missiles close enough to our shores to reach our cities and military installations within the same exceedingly brief flying time.

Does this imply that we will be faced with another Cuban missile crisis? Can we survive another such missile crisis? If not on land, the Soviets could station missiles on submarines as close to our shores as possible—an equally terrifying thought.

The Cruise missiles, scheduled to be deployed in Great Britain, the Federal Republic of Germany, Italy, Belgium and the Netherlands, do not have the speed of the Pershing II, but are equally provocative. The Cruise hugs the ground as it flies, so low that it cannot be detected by radar. It is less than 20 feet long, so small that is cannot be verified. It is also difficult to tell whether a Cruise missile is carrying a nuclear or conventional warhead. It will make nuclear arms control impossible.

Because of the Pershing II's speed and proximity to the Soviet Union, and the Cruise's nondetectability, they are missiles that would eliminate the ability of the Soviet Union to retaliate effectively after an attack by the United States and NATO. Therefore, it is likely that the Soviets will adopt a launch-on-warning policy.

In July of this year, Soviet Defense Minister Dimitri Ustinov wrote that "given the modern state of the detection systems and the combat readiness of the strategic nuclear means of the Soviet

Union, the USA will not be able to deal a crippling blow against the Socialist countries."

Experts are interpreting Ustinov's statement to mean that at the earliest signs of a United States first strike, the Soviets might proceed with a nuclear attack of their own. In today's world of constant international tension, crises, and local wars, it seems suicidal for the United States to deploy new weapon systems that will cause an adversary to adopt a launch-on-warning policy.

PUBLIC OUTCRY FOR NUCLEAR FREEZE

Our second argument against funding the Cruise and Pershing II missiles is that the people—your constituents—are speaking out against the arms race in ever-increasing numbers. Never before in the history of the United States or Europe has there existed such a large public outcry to freeze the arms race. You yourselves have no doubt seen the media's accounting of millions of individuals demonstrating against nuclear armament, both in the United States and in Europe. On June 12, over a million and a half people congregated in New York, San Francisco, and cities throughout this country, to demand that you, our legislators, cut off funds for nuclear arms and instead fund human needs such as education, housing and better health care.

Across the United States, local towns and cities are voting themselves nuclear free and passing referendums calling for a halt to the arms race. Labor unions, major church organizations, businessmen, physicians and educators have now joined with the peace movement in our efforts toward nuclear disarmament.

In Europe, over the past year, millions of people have demonstrated in every major city on the continent. They are demonstrating specifically against the Pershing II and Cruise, for they fear that these missiles signal the possibility of a limited nuclear war fought in Europe between the United States and the USSR, in which they will be the guinea pigs. For the last ten months, men, women and children in Great Britain and Sicily have camped out at the proposed Cruise missile sites, hoping that their protest will make a difference in stopping the deployment.

To this day, the governments of the Netherlands and Belgium have not agreed to accept the missiles and Helmut Schmidt's government is in crisis over the deployment of the Cruise and Pershing II on FRG soil. It should also be noted that the Joint Chiefs of Staff and the CIA report that installations in western Europe used for storing American nuclear warheads are poorly protected and vulnerable to attacks by terrorists and anti-nuclear demonstrators.

We urge you, as elected representatives of the People of the United States, to listen to your home towns and respond to your constituents. Find out how they feel about massive budget expenditures on new nuclear weapons that are only designed to destroy human life.

INACCURACIES IN MISSILES

Finally, we are arguing against funding for the Pershing II and Cruise missiles because they appear, from your own Congressional

reports, to not be the weapons they are cracked up to be by the companies who are manufacturing them.

The initial test of the Pershing II was postponed 3 times, and when it was finally tested last month, it blew up. The Pershing I's estimated total systems cost soared by over one billion dollars in three months time toward the end of last year. Neither the Army nor Martin-Marietta (the manufacturer of the Pershing II) have offered a full accounting for this huge cost jump.

Problems have also been reported in the Pershing's guidance system and in changing the missile into one which can fly 1000 miles as opposed to its predecessor (the Pershing IA, already stationed in the FRG) which can only fly 100 to 400 miles. The problems with the Cruise as reported by the General Accounting Office include:

> Engine problems, it may not be able to survive Soviet defenses, it cannot effectively attack certain kinds of targets, and it lacks the guidance system to attack mots potential targets in certain geographical areas.

In closing, it seems clear that the deployment of the Pershing II and Cruise missiles in Europe will not offer us or the Europeans greater security. Rather, the deployment of these new weapon systems will bring us precipitously close to nuclear war. Their deployment will not close the supposed "window of vulnerability", now deter the Soviets from producing new nuclear weapons systems of their own. Instead, the deployment will create greater edginess and distrust on the part of the Soviet leaders, which could lead them to adopt a launch-on-warning policy.

The Women's International League suggests that the scheduled 1983 deployment will escalate the arms race to an uncontrollable and possibly suicidal level.

This is why our constituents in the United States, and their allies in Europe, are calling for a freeze on the production and deployment of nuclear weapons. We urge you to listen to them. We urge you to fully scrutinize the Pershing II and Cruise missile programs, and to delete funds immediately for these new weapon systems.

Thank you.

I have with me all of the quotations, if you are interested. They are in newspaper clippings and studies from the Institute for Strategic Studies in London and the Center for Defense Information and the General Accounting Office records.

Mr. DICKS. Just one question.

When you talk about a freeze, are you talking about a freeze on both sides?

Ms. SILVER. Yes, I am. However, I am calling for the United States not to deploy the Pershing II and Cruise missiles in 1983 which possibly you will see as a unilateral step; but——

SOVIET BUILDUP

Mr. DICKS. What kind of distinction do you make between the SS 20's that the Soviets have deployed which can take out every city in Europe and in Great Britain and that is what precipitated the concern amongst the NATO allies about having a Cruise missile, Pershing II capability.

Ms. SILVER. In the arsenals of the United States and France and Great Britain, we already possess on submarines and in land-based systems, nuclear weapons systems, in the FRB, France, and Great Britain, we already possess the ability to destroy every single city and military installation in the Soviet Union.

I would imagine you have the figures on that. We have a lot of submarines and a lot of bases in Europe that those weapons could destroy.

Mr. DICKS. Very good statement.

Mr. Edwards.

U.S./USSR SOCIETIES

Mr. EDWARDS. I sit here a little troubled by all of this. I have been sitting here listening to all of the witnesses the last two days on this subject. I think you would all agree we have been very fair in listening to everything you have to say.

I don't really argue with what you say and some of the others have said. You are saying what you have got to say in the only place basically you have to say it, and that is in the Congress of the United States. You are not saying it—perhaps because you are not permitted to—to the other side.

Ms. SILVER. We are.

Mr. EDWARDS. I would like to hear that. I have been over to see the other side. I have been in the Kremlin. I have met with their leaders. I don't find all that much responsiveness over there. I would be interested, in a few minutes, if you can tell us a little bit about what is being said on the other side.

You quote Brezhnev's comments that they will escalate if we do such and such; they want peace; they want this; they want that; they will do this; they will do that. I hope if you have that entree to the other side that you are saying to them, we want peace.

It is hard to say in retrospect who started the escalation. It is even harder, I think, for us to say how to stop the escalation.

I share every concern that has been expressed here, that if we don't find a way to stop it, that one day somebody either intentionally or otherwise is going to hit the wrong button.

But there is also such a thing as nuclear blackmail; that those who don't have the ability to respond ultimately become the vassals of those who do, like it or not.

That is my view anyway, and the view of many. So, while I think everybody on this committee shares the concern that you express, and others have expressed—and let me just say to you that this member who sits—has been on this committee for some twelve years or so now and who participates in the voting on 200, 225, 250 billion dollars for defense, has got to know in his own heart there is a better place to put that money.

I have to struggle, however, with the problem of what is going on on the other side. I have the feeling that you and others perhaps don't fully appreciate the responsibility that we feel that we have. So I have been sitting here listening. I guess I figured sooner or later I was going to have to say something.

I would really like to hear what input you feel you have with the other side, whether you have been able to express it personally or whether it is done through other means.

I think it would be helpful for us to have that perspective.

Ms. SILVER. What I am talking about here is the cruise and the Pershing specifically, because we do not feel that they are needed. There are these other large arsenals I have talked about that we already possess, submarines, land-based systems, in France and Great Britain, and that they possess.

I think there are some things that you can go on in terms of public statements. At the U.N., when Brezhnev called for no first use of nuclear weapons, that was something that former, I guess, Secretary of Defense McNamara suggested in his article in Foreign Affairs that both sides give up first use of nuclear weapons.

Brezhnev suggested it at the U.N. Reagan said no, we are not interested.

I think that that is one thing to look at.

The Womens International League, as such, have no sections in the U.S.S.R. However, there is a Women's Soviet Peace Committee that visits here and we go there to visit them. They seem very much interested in peace and they too would rather be spending their money—because their economy is in a terrible state—they too would prefer to be spending money on human needs rather than militarily.

But the Soviets also will not give up. It is true. Who starts first or what?

I think I understand the responsibility that you have, but the cruise and the Pershing, I think, is a good step. It really doesn't seem to us and to many other people that they are needed. The Europeans, en masse, if you have been over there—I don't know if you have been over there recently, I have made several trips and am going back next week—they don't want them.

I think that this would be a good place to start.

Personally, last November I was in the German Democratic Republic, East Germany, and I did meet with government officials. Of course, there are no nuclear weapons on East Germany's soil. They are all U.S.S.R, but they too want to pull back their weapons and our weapons. That is on the most personal level, with women I talked to in the government and in what is like a YWCA organization there which has over a million women.

I have been at conferences with women from the Soviet Union and Hungary, Poland, Czechoslovakia, and the U.S.S.R.

All I can tell you is that they too say we want peace, we want to disarm; we want you to disarm. These are individuals, women, saying this.

Of course, I got the same—somebody would say to me——

Mr. DICKS. How many women do you think are in the politburo?

Ms. SILVER. That is interesting. When I went around saying what happened on my trip, they said that woman was a spokesman for the government. They are giving you a lot of bull. It is hard when you hear that every time the Soviet Union makes a plea for peace. It is just propaganda.

I think there is a real problem here with how we see the Soviets and how they see us.

Mr. EDWARDS. I don't think there is any question there is a lot of oral give and take between governments. My concern was not quite oriented in that direction. My concern is whether some of those women you meet with, in fact, appear as you have done before the politburo, the Supreme Soviet and make the pitch for not putting the SS-20 out there for the rest of us to be concerned about; not upgrading the missiles, intercontinental ballistic missiles that they have which we argue we are now trying to match.

It is that kind of thing. I think the great thing that separates our countries—and a witness spoke about this earlier, maybe the lady right behind you—is that you do have the right to come here and petition your government because it is your government.

You do have the right to come here and have your say. I am not quite sure though that you have answered my question about where in fact that same plea has been made in the Soviet Union. I gather it really has not been.

Ms. SILVER. I think, in fact, it has. There were just 200 women from Sweden that went there. I have the clipping on that also. It is a different kind of system, for one thing.

Mr. DICKS. We could also demonstrate at the Soviet Embassy in any country in the world about them.

Ms. SILVER. These women went to the Soviet Union and demonstrated.

Mr. EDWARDS. Let me just say one thing and I promise to quit.

Ms. SILVER. It is fine. It is a different kind of government.

Mr. EDWARDS. I am taking up a lot of time.

As I said, I have sat there in the Kremlin and had the great debates with the members about the Supreme Soviet about how much we spend on defense and why are we doing this and why is the CIA trying to find out what they are doing.

I said to them, well, look now, every year we come to the floor of the House of Representatives with a committee report, a hearing record. You can see basically everything we do in this country militarily; the next day it is on the plane to Moscow. You folks can cut it apart. We have very few secrets any more.

Why don't you—I said to them—put your defense budget out here on the table; let us have a look at what you are doing in the clear light of day?

It may be that we ought not to be doing some of these things if we knew better what you are doing.

Of course, as you suggest, they said that is not our way of operating in this country.

Of course, they didn't put their defense budget on the table. So we continue to have to find out the best way we can. We do deal in totally different societies. I would not change ours; I would hope one day they will change theirs.

I would hope that it is changed not by war, but because the people over there finally realize that they aren't heard in the sense that people in this country are.

Well, I think you made a good statement. All the people who have spoken on this subject made good statements. In fact, I had some folks who planned to come to speak on the same subject as you from my district. They finally sent word they didn't have the

money to get up here, but people are concerned about this all over the country.

I guess I want to say to all of you, however, that we are equally concerned about it. Even on this committee.

We have different views, for example, on the Pershing II, on cruise missiles. We have fought those views out here on the committee and on the floor. We will continue to do it. Maybe one day the Good Lord will give us the wisdom to know how to solve the problem.

Thank you for coming.

Ms. SILVER. Thank you. I hope that out of all these billions of dollars some of them will be deleted.

Mr. EDWARDS. It will be. The question is where.

98-283 O - 82 - 46

WEDNESDAY, AUGUST 11, 1982.

COMPETITION FROM GOVERNMENT COMPUTER CENTERS

WITNESS

BOB O'CONNOR, UNITED TELECOMMUNICATIONS, INC.

Mr. DICKS. Mr. Bob O'Connor, United Telecommunications, Inc.

STATEMENT OF MR. O'CONNER

Mr. O'CONNOR. Thank you, Mr. Chairman. My name is Bob O'Connor. I am the Vice President of Headquarters Sales Operations for United Information Services, Inc., a wholly owned subsidiary of United Telecommunications, Inc.

UIS is in the business of providing computer services to private industry and government. It has been in this business since 1967 and is viewed as an innovator, continually advancing the state of the art of remote computing.

UIS is not the only innovator in the computer services industry. It is characteristic of firms in this business to invest in their future by developing new products, making the latest and best computer systems available to their customers at the earliest opportuity, and improving the reliability of their service and equipment.

Few organizations, if any, can match the performance records of firms in the commercial remote computing industry.

The driving force which has made this industry a progressive, energetic entity is competition. Firms know that they must always offer service of the highest quality, develop new products to meet changing customer needs, and minimize costs. If they do not, competition will simply force them out of the market.

FEDERAL SERVICE BUREAUS

Today the viability of the computer services industry is being threatened by organizations which do not operate under the same rules. They charge prices for service which are below cost and yet do not go out of business. They do not compete on the basis of quality or reliability of service yet their business grows. These organizations are not firms subsidized by foreign governments, but rather federal agencies which use funds appropriated by Congress to de-

velop de facto service bureaus which directly compete with private industry, frequently with apparent disregard for existing laws and regulations.

A federal agency which operates its own computer center for legitimate governmental purposes in a cost effective manner is competing with private industry. This type of competition is expected and typical of the relationship of the remote computing industry with its commercial clients.

Federal agencies frequently do not base computer acquisition decisions on a full cost analysis of their needs. Instead, an agency obtains the biggest and newest system available in the market with capacity greater than required and offers the excess capacity to other government agencies, universities, government contractors and sometimes to firms with at best a tenuous government relationship at less than full cost.

The agency's efforts to market this excess capacity are facilitated by regulations which permit agencies to require its own employees and government contractors to utilize the resources of an in-government computer center instead of a commercial firm.

This directed use ignores differences in product offerings, quality of service and reliability of service which can adversely affect the agency's mission or contracted task in terms of timeliness, quality and cost.

It would be bad enough if federal agencies limited their competition with private industry to inter-agency sales of excess computer time.

Unfortunately, agencies do not. The agencies often add the needs of their inter-agency and tenuous government-related purchasers of excess capacity to the needs of internal users to justify increases in capacity and upgrades to their system.

As a result, agencies incur unnecessary additional costs in expanding operations to meet the needs of these groups. In other words, the agency has created a de facto commercial computer service bureau to serve other than internal agency requirements.

The problem of competition from de facto government service bureaus has intensified to the point where it is no longer tolerable.

The internal agency segment is part of the market that is an irritation. To hear them competing in the market is intolerable when you think of where the money is coming from to have them pay for the system.

The budget pressures have resulted in increased activity by federal agencies to market their services to obtain funds to continue and expand operations.

Agencies do this because they have a larged fixed cost—the data processing facility—which must be justified even though the need for the facility has been eliminated due to changing national priorities or funding for the organization has been reduced.

This approach assumes that the need for the continued operation of the computing facility never has to be reviewed.

CIRCULAR A–121

The unique problems of controlling and allocating costs of government computer operations have been detailed in numerous re-

ports by the General Accounting Office and have resulted in Circular A-121 issued by the Office of Management and Budget, which requires full cost charge back for all shared government data processing facilities.

OMB Circular A-76 also devotes several paragraphs to the need for a full cost analysis of the cost effectiveness of government service bureau activities. Unfortunately, these circulars have not reduced or minimized the growth of government competition.

Private industry reacted to increased competition from government agencies by attempting to get agencies to comply with the full cost requirements of OMB Circulars A-76 and A-121. These efforts have only been marginally successful when dealing with civilian agencies and have been totally unsuccessful when dealing with Defense agencies because they lack a practical method of enforcement.

There is no penalty, no pain involved.

When questioned as to whether their competitive activities are appropriate or in compliance with current regulations and OMB directives, Defense agencies respond by stating that they need this computer capability for national defense and that they are exempt from the full-cost analysis and allocation provisions of OMB Circulars A-76 and A-121. This argument addresses a different question than the question asked.

The need for computer capability by Defense agencies is not in question. Indeed, we in the computer services industry advocate increased use of data processing techniques to minimize costs. That's our business. What is being questioned is the method of acquisition of resources and the sale of excess resources.

SECURE ENVIRONMENT

If the computing facility is intended for use in a secure environment, then the need for security should preclude sales to organizations with non-defense requirements and certainly to private industry.

If the computing facility is not to operate in a secure environment then it should comply with A-76 and A-121 as directed.

The Congress authorizes and appropriates funds to executive agencies to achieve specified objectives. The priorities and national goals set by the Congress are circumvented when back door funding methods, such as below cost sales of computer resources, are used to reprogram funds.

For example, the Congress could authorize funding for the Air Force to perform nuclear weapons research. In carrying out this task, a data processing facility is established.

The capacity of the data processing facility is far in excess of that needed to complete the mission so the agency offers service to the National Weather Service or the Department of Interior at less than cost, contrary to regulations.

Thus, funding appropriated by the Congress for nuclear weapons research is used to subsidize activities unrelated to the reason you gave them the money.

OMB and various DOD agencies have issued directives and regulations regarding the methods to be used to allocate the cost of data processing facilities.

These directives and regulations stress full cost allocations to avoid improper reprogramming of appropriated funds.

Unfortunately for the computer services industry, some agencies have not implemented such charging methodologies and there is no real penalty in existence for non-compliance.

If agencies used a full cost allocation, it would be very clear that a government de facto service bureau provides service of lower quality and at a higher cost than could be purchased from private industry.

The time has come for the Congress to take decisive action to deal with the problems of government service bureaus. To effectively appropriate funds, the Congress needs to know the true costs associated with the computer centers operated by the DOD.

Congress needs the assurance that funds are judiciously spent supporting the national defense mission of the agency and not to subsidize unrelated, non-defense programs.

LEGISLATIVE REMEDIES

The legislative remedy for this problem is relatively straightforward.

Specifically, the incentive for agencies to operate computer centers in a manner inconsistent with agency missions and in competition with private industry should be removed by codifying existing regulations and strengthening existing law. The actions which would accomplish this are:

1. Reduce or eliminate funding for those agencies which fail to comply with existing laws and regulations which define and limit government activities in the commercial sector and prohibit the commercial sector's use of government-owned computer facilities;
2. Place into law the requirements of OMB Circular A-121 to do full cost accounting;
3. Require government computer facilities be used on a full charge-back basis by other agencies; and
4. Require the return to the Treasury of all funds received for services provided to any organization other than the owner agency.

Unless Congress clearly demonstrates that it opposes government competition with private industry, agencies will be encouraged to expand their activities, an action which can only result in unnecessary expenditures and continued improper reprogramming of appropriated funds.

If allowed to go to its ultimate conclusion, it means the government will become a service bureau unto itself and will have eliminated the very source of funding for the government in the beginning.

Mr. ADDABBO [presiding]. Thank you very much. You have made important and salient points.

We have had this subject under investigation for a long time. You made valid points we will take into consideration.

Many of your recommendations need legislative remedies. Again we can only look at that portion of the spending which is allocated to the Defense Department.

Also, the GAO is making a careful study of these problems.

Any further questions?

Mr. EDWARDS. Just a couple, Mr. Chairman.

You are not in the business of selling computers? You are in the business of selling services performed by computers?

Mr. O'CONNOR. Yes, sir.

Mr. EDWARDS. In that sense, then, the use of computers in an improper way by the federal government is a direct competition to the business or service you are in?

Mr. O'CONNOR. Yes.

Mr. EDWARDS. Your points are with regard to other agencies. Assume a computer in the Department of Defense is doing business with the Interior Department. Your point is fully recoverable costs are not considered when that work is done for Interior by Defense? Is that one point you are making?

Mr. O'CONNOR. Yes, sir.

Mr. EDWARDS. If, in fact, they were to pay the Defense Department for that service at a proper rate, then your clients or your businesses could compete fairly for that service?

Mr. O'CONNOR. If the Defense agency, which would be selling in your example, were to accurately account for all the costs necessary to deliver the same level of service to that agency, it would be far in excess of what they are charging currently.

SERVICES TO UNIVERSITIES AND CONTRACTORS

Mr. EDWARDS. You also talked about providing service to universities and contractors at less than full cost. Non-government agencies?

Mr. O'CONNOR. Yes, sir.

Mr. EDWARDS. Should we be doing that?

Mr. O'CONNOR. We don't think so.

Mr. EDWARDS. I guess I am asking you a self-serving question. I am wondering out loud, should the government be doing that?

The staff says it is against the regulations to do that; that is, to sell to the universities, for example, or to contractors, for example; commercial firms.

Allegations of that practice have been made in the past, but not really substantiated all that much.

Maybe you were in the room when Mr. Dicks was talking about footnotes a while ago. Can you put in some footnotes to the allegations that I have just been discussing on page two of your statement about the sale of services to universities and/or contractors?

Mr. O'CONNOR. Yes, sir, we certainly can. We have done that for other committees, for Congressman Brooks. We are on record in several places here. We would be happy to provide that correspondence for you. It is not generalized. It names names and places.

Mr. EDWARDS. Staff says that they have that information, but that it is not in the record. Maybe we should put it in the record at this point.

Mr. ADDABBO. Without objection.

[The information follows:]

UNITED TELECOMMUNICATIONS, INC.
1875 EYE ST., N.W./SUITE 1250/WASHINGTON, D.C. 20006/(202) 659-4600

CAROL C. WARNER
DIRECTOR-FEDERAL GOVERNMENT RELATIONS

August 18, 1982

Honorable Jack Edwards
U. S. House of Representatives
2369 Rayburn House Office Bldg.
Washington, D. C. 20515

Dear Congressman Edwards:

As you requested on 11 August 1982, United Information Services, Inc. (UIS) is submitting additional information to support Mr. O'Connor's testimony regarding competition from Government computer centers. The documents enclosed were all obtained under the Freedom of Information Act. All notations, comments, and underlining of passages was included on the documents received. The documents have been grouped and indexed so that the relationship to Mr. O'Connor's statements is readily apparent.

Regarding sales of AFWL computer resources to Atlantic Richfield, in response to FOIA requests, the Air Force has stated that no records, memoranda, etc. exist. UIS has therefore, documented this occurence with a synopsis of UIS internal memoranda.

If you need any further documentation of clarification regarding this issue, please call me at 659-4600.

Sincerely,

Carol C. Warner

Carol C. Warner

Enclosures:

A. 11 August 1982 Testimony of Mr. Bob O'Connor. (Read into the record)
B. Synopsis of UIS memoranda concerning sale of AFWL computer resources to ARCO.
C. Air Force documents supporting UIS contention that AFWL is operating as a de facto service bureau.
D. Air Force documents supporting UIS contention that use of a Government facility was mandated without regard to the effect on overall project.
E. AFWL Customer Lists.

cc w/encls: Robert Seraphin ✓

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Best Available Copy

1/SALE OF KIRTLAND COMPUTER RESOURCES TO ATLANTIC RICHFIELD CORPORATION

The UIS Federal Accounts Group first became involved with the alleged marketing activities of the Air Force Weapons Lab (AFWL) on September 19, 1980. UIS' (then UCS) Denver office was involved in a procurement to provide CRAY service to Scientific Software. Systems Development Corporation (SDC) had also submitted a proposal to Scientific Software at rates substantially below UIS' rates. The UIS Sales Representative, Terri Atkinson, learned that SDC was proposing the CRAY system located at the Air Force Weapons Lab (AFWL) at the Kirtland, AFB, New Mexico. Ms. Atkinson then called Federal Accounts to obtain assistance to stop what was obviously unfair competition from a Government subsidized system.

Federal Accounts reviewed the situation and learned that not only was the AFWL CRAY located at a Government site, but the SDC contract required that the system be dedicated to the exclusive use of the Air Force and was obtained to process Top Secret data concerning nuclear and laser weapons. Federal Accounts contacted Charlie Dan of the AFWL Research and Development Group, Sgt. Russel of the AFWL Procurement Staff, and Bob McGill of SDC to inform them that sale of AFWL CRAY resources in the commercial market was not permitted under applicable laws and regulations. The Air Force disagreed stating that even though the system was installed at the AFWL, it was still in a test mode and the Air Force had not yet taken title. We referred the Air Force and SDC personnel to the General Counsel of the General Services Administration who also informed them of the impropriety of the sale of Government computing resources in the commercial market.

On October 8, 1980, Federal Accounts was informed by Charlie Dan that General Slay of the AFWL had decided that SDC would no longer be permitted to sell AFWL CRAY resources in the commercial market.

During Federal Accounts discussions with UIS field sales personnel regarding the Scientific Software situation, we learned that SDC had previously sold AFWL CRAY resources to ARCO. UIS had also made a proposal to ARCO, but was unable to match the subsidized prices offered by SDC. UIS personnel had attempted to stop SDC's sales efforts with ARCO, but did not know which agencies would have jurisdiction over such matters.

On 29 July 1981, UIS representatives (P. Morrow, T. Allen, and J. Ippolito), met with Colonel Alvin Taylor Director of Data Automation of the Air Force Systems Command (AFSC) and members of his staff to discuss the marketing activities of the AFWL. During this meeting, UIS raised the quetion of the propriety of sales of AFWL computer resources in the commercial marketplace, using the sale to ARCO and the attempted sale to Scientific Software as examples. Colonel Taylor stated that he did not want to address the issue because the AFWL had no control over SDC's use of the computer system because it was in a test mode and the AFWL had not yet taken title to the system. When asked if the AFWL had been reimbursed for support services provided to ARCO through SDC e.g., electricity, communications, etc., Colonel Taylor stated that he did not want to address the issue.

1/Regarding sales of AFWL computer resources to Atlantic Richfield, in response to FOIA requests, the Air Force has stated that no records, memoranda, etc. exist. UIS has therefore, documented this occurence with a synopsis of UIS internal memoranda.

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At the conclusion of the 29 July meeting, Colonel Taylor stated that AFSC presently operates a number of data processing facilities, that he believes such service centers are in the best interests of the Government, and that he expects the AFSC to continue current and establish new service center operations.

On 25 January 1982, UIS representatives met with Colonel Mercer, Mr. Dan Rak, Assistant General Counsel - Procurement, and Mr. Oscar Goldfarb, Supply and Maintenance Deputy of the Office of Research, Development, and Logistics to discuss the activities of the AFWL. At this meeting, the specific issues raised were:

- the sale of AFWL computer resources to ARCO and attempted sale to Scientific Software,
- the need for a full-cost analysis of the decision prior to directing AEDC contractors to utilize the AFWL facility for computer support and terminate existing contracts with UIS, and
- the problems associated with using a secure data processing facility as a teleprocessing services bureau.

The Air Force representatives stated that they were aware of the ARCO and Scientific Software problems and that the AFWL had been "written-up". Regarding the other issues, the Air Force participants stated that they were not fully acquainted with the facts of the case, but would look into the matter to determine their authority in these areas and determine if any action was warranted. Several days later, UIS representatives were informed that a review of the available information indicated that no corrective action was warranted in this matter. UIS was never provided details of the Air Force's review even though requested.

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OPERATION OF A DE FACTO SERVICE BUREAU

The following documents are being submitted to substantiate UIS' allegation that the AFWL is operating a de facto computer service bureau:

Item Reference	Description/Comment
1.	Present and Future Plans for the AFWL Facility.
	o Page 1, "This facility provides continuous, efficient computer analysis capability not only to AFWL users but to other Federal agencies that require sophisticated scientific data analysis."
	o Page 3, "Consulting has been enlarged this year to accommodate the increasing number of users and to handle the anticipated questions pertaining to Common File Sytem (CFS) and CRAY Time Sharing System (CTSS)."
	o Page 4,
	"d. Expected sources of revenue to recoup expenses will be (approximately):
	AR $3,400,000 NT 2,300,000 Staff 150,000 Outside 3,059,562 $8,909,562 "
2.	AFSC Regulation Governing Costs Allocation
	o Requires full-cost accounting.
	o Requires multiple pricing depending on budgeting relationship of sharing entity.
3.	Chargeback Rates for AFWL Computer Usage.
	o Shows that AFWL does not use multi-rate structure required by AFSCR 172-2.

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Item # 1

DEPARTMENT OF THE AIR FORCE
AIR FORCE WEAPONS LABORATORY (AFSC)
KIRTLAND AIR FORCE BASE, NM 87117

REPLY TO ATTN OF: AD

12 APR 1982

SUBJECT: Present and Future Plans for AFWL/AD Computer Resources

1. Attached are the present and future plans for providing computer services to users of the Air Force Weapons Laboratory, Computational Division, computer resources. This data is current as of 1 April 1982. We will update this as required.

2. Detailed plans with milestone charts are available for your review and comments. We welcome constructive comments.

JAMES F. ORMAND, JR., Lt Col, USAF
Chief, Computational Division

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Present and Future Plans for
AFWL/AD Computer Resources

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PRESENT AND FUTURE PLANS FOR AFWL/AD COMPUTER RESOURCES

INTRODUCTION

Since this is our first attempt to let our many users know what is happening, it is appropriate to develop a general overview of the Air Force Weapons Laboratory (AFWL) mission and how the Computational Division (AFWL/AD) fits into that mission.

AFWL is the principal AFSC organization for planning and executing the Air Force's exploratory, advanced, and engineering development programs in the fields of nuclear weapons components, nuclear weapons effects, laser systems, advanced weapons technology, radiation effects and hazards, nuclear survivability/vulnerability, and nuclear safety. In order to support and facilitate research and development in these fields, AFWL has over 160 computer systems. These systems range from microprocessors and minicomputers imbedded in or in close conjunction with sophisticated laboratory instrumentation systems, through mini-midicomputers in laboratories for "quick-look," real-time scientific data analysis functions, to a complex fourth generation super computer facility for processing complicated large-scale analysis programs on an around-the-clock, 7-day-a-week basis.

The special-purpose "laboratory" micro- and minicomputers have flexible and variable functions and are under the immediate control of individual project managers. AFWL/AD is responsible for managing and operating the fourth generation maxicomputer facility. This facility provides continuous, efficient computer analysis capability not only to AFWL users but to other Federal agencies that require sophisticated scientific data analysis. In order to maintain an up-to-date, cost-effective facility, AFWL/AD operates in a "cost reimbursement" basis. Each user at AFWL is assigned a computer access number and charge account. Individual computer resources are given a charge rate based on their proportional cost to AFWL/AD. Usage of these computer resources is then metered, and monetary charges are assessed to each agency's accounts on a monthly basis.

This operating method allows AFWL/AD to recoup approximately 95 percent of its operating costs from Research and Development (R&D) project funds and to monitor computer resource usage to maintain an efficient, up-to-date facility. It also provides computer resources to R&D projects at an equitable ratio of computer costs to computer use.

AFWL/AD operates a CRAY Research fourth generation CRAY-1S maxicomputer supported by a Control Data Corporation (CDC) CYBER 170-750 and a CDC 6600 as Front End Processors (FEPs). An IBM 3031 system drives a 3850 Mass Storage System that provides quasi-on-line data file storage capability for the CRAY-1S and CDC computers. The FEPs are also capable of independent stand-alone processing, and currently one FEP is designated as a "batch" processing system during prime shift peak load periods. Access to the computers is threefold: manual "batch" input/output through the Production Control window, "remote batch" access from any of 30 dedicated and 15 dial-up Remote Job Entry Terminals (RJETs) located at various sites, or through interactive remote terminal access via dial-up telephone circuits. All remote access is channeled

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through three CDC Host Communications Processor (HCP) systems (2550) that service a total of 160 data communications' channels over standard telephone lines. The HCPs interface directly to the FEPs.

AFWL/AD supports various high-level computer languages, but the predominant language is FORTRAN. The CRAY-1S uses a vectorizer processing-oriented version of FORTRAN 77, called CRAY FORTRAN, and currently runs under the CRAY Operating System (COS). However, a changeover to an interactive time-sharing operating system, CRAY Time Sharing System (CTSS), is underway and should be effected by the summer (July) of 1982.

The CDC FEPs use FORTRAN IV EXTENDED, a predecessor of FORTRAN 77, and run under the NOS/BE1 Operating System. The CDC HCP uses CCP1.0 INTERCOM IV as its operating system, CDC's 200 User Terminal Protocol as the remote access interface control language, and INTERCOM IV as host interface software.

A variety of software routines are available in "libraries." Included are the International Mathematics Standard Library (IMSL), a library of scientific mathematical functions and algorithms; DISSPLA, a graphics library that facilitates graphic presentations ranging from simple bar charts to sophisticated contour plots; NASTRAN, available on the CDC CYBER 750 for complex structural analysis studies; and a recent addition, ANSYS, a sophisticated three-dimensional stress and structural analysis program. Documentation on use and constraints for all libraries is available from AFWL/AD's consulting function (Phone (505)844-0831).

Specific mainframe capacities and capabilities, as well as current usage constraints and guidelines, are listed below for the CRAY-1S and FEPs.

CRAY-1S: Is capable of 80 to 250 Mega-Instructions Per Second (80-250 MIPS) depending on the amount of vectorizing incorporated into the program. The CRAY-1S has 1 million words of memory (a word is 64 bits long).

CYBER 750: Is capable of 6.7 MIPS and has 256K words of memory (CYBER Words are 60 bits long).

CDC 6600: Is capable of 3.3 MIPS and has 128K words of memory (6600 words are 60 bits long).

OPERATIONS

Computer Hardware Reliability

Computer hardware reliability at the AFWL Computational Division has been very good in the last six-month period. The hardware nonavailability figure runs approximately 8.9 percent on the CRAY-1S with environmental failures being about one and contractual preventive maintenance (PM) being about four of the above stated 8.9 percentage points. The CYBER 170/750 is nonavailable approximately 4.8 percent with PM running about 2.5 and environment about one of the 4.8 points. The CDC 6600 is nonavailable about 4.1 percent, again, with PM using about 2.5 and environment using about one of those percentage points.

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Computer Availability

Computer availability to the user is computed subtracting software maintenance and modification, software development and setup times for security color change. User availability for past six months has been approximately 78.7 percent on the CRAY-1S, 89.1 percent on the 750 and 85.4 percent on the 6600.

Computer Usage ("Fee" Time)

This is computer time paid for by users including classified time and overhead (spot jobs, housekeeping, etc.). Since we operate as a fee-for-service function, these times are the "fee" times and provide us with our "cost reimbursement." For the period Sep 81 through Feb 82, these times were 20.4% for CRAY, 22.4% for CDC 750, and 23.4% for CDC 6600.

Consulting Services

Consulting has been enlarged this last year to accommodate the increasing number of users and to handle the anticipated questions pertaining to Common File System (CFS) and CRAY Time Sharing System (CTSS). Staffing is still being provided by contract services from OAO Corporation but we now have five people. However, Pat Simari is working only three days a week. The OAO people are headed up by Dr. Arnold Elsbernd and receive technical guidance from the Production Control Section of the Computer Operations Branch. 1Lt Jim Newsome is the project officer for this contract. Consulting remains the primary point of contact for programming problems including the tracking of files and jobs in the systems. All problems of these types should be directed to Consulting for help. Production Control is the point of contact for facility related problems such as equipment move schedules, equipment downtimes, communication outages and block-time schedules. The present consulting staff is composed of the following and can be reached by dialing (505)844-0831: Dr. Arnold Elsbernd, Mrs. Pat Simari, Ms. Pam Harrison, Ms. Diane Guire and Mrs. Kris Jordon.

DATA COMMUNICATIONS

Since 1972, Data Communications has been supported at the Air Force Weapons Laboratory Computational Division. From sixteen communications channels in 1972, data communications has experienced a rapid expansion until we now support approximately 160 communications channels.

Some of the services that we provide are asynchronous dial access at 300 and 1200 bps, point-to-point dedicated access at 0 to 9600 bps, synchronous dial access at 2000, 2400 and 4800 bps, point-to-point dedicated access at 2400, 4800 and 9600 bps.

We are now in the process of checking out the communications for the Keyboard Communications Concentrator (KCC) used to support interactive access to the CRAY. This will be available to users on 1 July 1982. Initially, access will be only dial-up at 300 and 1200 bps.

In order to facilitate access to all hosts without adding new terminals, we shall also provide a Port Contention Device (PCD). The PCD is designed to allow a single user to access a host, then disconnect and connect to another host without dropping the connection to the PCD.

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BUDGET

I. Reimbursable

Our FY82 reimbursable budget is $8,909,562, up slightly from our FY81 budget of $8,743,457.

a. Breakout by system is as follows:

CRAY	$4,132,520
FEPs	2,413,656
Mass Storage (MSS)	946,259
Data Conversion	169,598
Overhead	1,247,529
	$8,909,562

b. Major items included in overhead area:

Remote Job Entry (RJE)	$ 101,401
Consulting Contract (OAO)	200,000
AD's Portion of Facility Contract	129,121
Supplies (Stock Fund)	245,500
Maintenance of NSC Adaptors	116,064
DIAL-UP Communication Costs	55,000
Other	400,443
	$1,247,529

c. Breakout by element of expense is as follows: –

Lease and Maintenance	$6,165,312
Maintenance	2,115,065
Software	224,935
Supplies	349,250
Communication	55,000
	$8,909,562

d. Expected sources of revenue to recoup expenses will be (approximately):

AR	$3,400,000
NT	2,300,000
Staff	150,000
Outside	3,059,562
	$8,909,562

II. Nonreimbursable

Our FY82 nonreimbursable budget is $349,567. Major breakouts include:

Purchase of equipment	$ 200,867
Travel	35,500
ADM computer charges	75,000
Training	5,000
Other	13,200
	$ 349,567

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ACCOUNTING AND STATISTICS

For FY82, 25 computer services' resource areas are charged by AD. The OPR for this is the Computer Accounting Section of the ADP Management Branch. Rates as of 1 Feb 82 for those areas and their descriptions are attached as APPENDIX A.

We are currently conducting a study of LANL's billing/accounting mechanisms to determine the feasibility of incorporating similar procedures here at AD. Hopefully, software can be established in conjunction with CTSS to enable users and project officers to obtain "up-to-the-minute" utilization data, which will let them know the status of their computer resources' funds.

APPLICATIONS

MAJOR SUPPORT ACTIVITIES:

CYCLE III, PHASE V - AIRBORNE LASER LABORATORY (ALL)

The Applications Branch provided data reduction support for the ALL on 11 ground missions and 17 flight missions. Primary emphasis on these missions was on the Airborne Instrumentation System (AIS) signals which are recorded in Pulse Code Modulated (PCM) format. The majority of this support was provided on the CRAY-1 computer using TIMEANAL.

We also utilized the CDC computers and program SIGANAL to produce 3-D plots for ARLB relating to extensive amounts of data recorded from a model of a laser turret run through the Ames wind tunnel.

CIVIL ENGINEERING RESEARCH DIVISION SUPPORT

During 1981, we provided data processing which included scaling and graphical presentation of raw and corrected data (400 or more channels) on three major tests. We provided data reduction (scaling and graphics) for 19 series of smaller tests with a total of 85 tests. We processed data from 12-14 tests conducted prior to 1981. We prepared data for NTE as well as the following contractors: Boeing, CERF, Weidlinger & Assoc., Physics International, TRW and Physic Application.

We converted the data reduction programs to the CRAY and started conversion to the VAX.

MAJOR PROGRAMMING ACTIVITIES:

TIMEANAL

We transitioned nearly all of the signal analysis function to the program TIMEANAL on the CRAY-1. Although some functions are being developed and installed even now, the bulk of our data processing requirements were fulfilled by TIMEANAL beginning in January 1981.

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TIMEANAL is a modular, rigidly structured FORTRAN program which was developed to take advantage of the large central memory size and the vectorization capabilities of the CRAY-1 computer. TIMEANAL provides time and/or frequency domain analysis of experimental data. Several types of input data are provided for and the output products include time and frequency domain plots or tabular printouts, power spectral density (PSD) calculations, digital filtering, interpolation of data, and the capability to analyze mechanical systems involving multiple input/output considerations through the function CSPCTRA. This function essentially performs the decomposition of the total input signal through multiple and partial coherence relationships by successively removing from the input each of its measured linear components.

The development of this capability will be announced in the LASER DIGEST and published as an AFWL TR within the upcoming year.

DATAMAP

We made numerous changes and enhancements to the Statistical Data Base (SDB) programs and began efforts on an interactive program which would query the SDB and extract data based on operator inputs. This new method should greatly enhance the usability of the SDB.

DATAMAP is a group of FORTRAN programs which create, modify, expand, and extract reports from a large data base of signals recorded during experiments conducted on-board the Airborne Laser Laboratory. DATAMAP programs provide access to frequency domain characterizations of more than 500 distinct signals for each ALL mission.

ANSYS

We acquired and installed on the CRAY-1 a large finite-element structural analysis code called ANSYS. In concert with PREP7, an interactive pre- and post-processor which runs on the CDC front-end computers, this system will augment our existing NASTRAN code which currently runs only on the CDC computers. Plans call for obtaining a CRAY version of NASTRAN as it becomes available.

Both ANSYS, our new code, and MSC/NASTRAN are general purpose programs for the solution of several classes of engineering analyses. Each code handles one, two, or three dimensional structural analyses problems, both static and dynamic, as well as steady state and transient heat transfer cases. While ANSYS provides the ability to define nonlinear geometry into the structure in questions, the major difference in the codes seems to be the size of the programs. ANSYS is some 100,000 source lines while MSC/NASTRAN is nearly 400,000 lines.

SANDIA, LOS ALAMOS, AFWL TECHNICAL EXCHANGE COMMITTEE (SLATEC)

The Common Mathematical Subroutine Library developed under the sponsorship SLATEC group was installed on the CRAY-1 computer. These subroutines are available for use at Sandia Laboratories in Albuquerque and Livermore, California, at Los Alamos National Laboratory in Los Alamos, New Mexico, and

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at the Air Force Weapons Laboratory. All of these functions have been vigorously tested and were written to take full advantage of the vectorization capability of the CRAY.

MEGATEK/VAX

We are about ready to start testing of a new interactive graphics package on the MEGATEK which is tied into the VAX 11/780. When complete, this will allow us to move this task off the CDC 243/6600. The IDIOT program on the CDC has served us well over the past seven years, but it is time to say good-bye to the 243 digigraphics since CDC will no longer maintain the hardware. Testing of the new system is underway with an IOC of 1 Apr 82.

The IDIOT program gives an analyst/engineer the console capability to select from displayed data and menus various signal analysis, editing and correcting routines, apply them to the data, and display the reprocessed data on the graphics terminal. It makes a wide range of smoothing, baseline correction, and wild pointing editing tools available to the user by light pen selection, function keys, and regular CRT keyboard entry.

GATEWAY

We are in the preliminary design phase of a file transfer node to provide access to the AFWL Common File System (CFS) for users on local DEC computer systems. IOC is estimated to be 1 Jul 82 (pending h/w acquisition) and when complete will provide limited capability for external DEC VAX systems to execute batch CFS commands. External users will be connected to the GATEWAY system (a local VAX) via DECNET trunks. Software to perform local communication and processing of the CFS commands will probably be based upon LANL-developed software.

ADMINISTRATIVE

The AFWL's administrative applications have been developed primarily on an HP-1000 minicomputer. During the past year, the Laboratory personnel system, manhour cost accounting system, AFWL funding history, and reimbursement program were completed. The development of the contract tracking and contract performance systems are currently underway. A menu-driven system, user training, and on-line data retrieval have all significantly enhanced user acceptance of the system. Plans for the coming year include the completion of systems currently under development and the capability to present data graphically.

DATA CONVERSION

Analog Reproduction of Recorded Media

Support includes 1/4, 1/2, and 1 inch analog tape reproduction machines with densities of up to 32 tracks per inch and frequency reproduction of up to 2 MHZ at 120 IPS. This data can be processed for quick-look evaluation or computer entry through any of the following reduction systems.

Analog to Digital (A-D) Conversion

Primary A-D system is an 8 channel sequential A-D converter interfaced to the UNIVAC 6135 computer. Resolution is 10 bits/sample for rates up to 250,000 samples/sec., and 8 bits/sample for rates over 250,000 and not exceeding 500,000 samples/sec.

Secondary system still under development is a 16 channel sequential or simultaneous sample and hold converter interface to the digital VAX 11/780 computer. Resolution is 12 bits/sample for rates up to 250,000 samples/sec. Current system configuration limits this rate to 150,000 samples/sec.

Pulse Code Modulation (PCM) Reformat

This system is based on the EMR 711 programmable decommutator with bit rates up to 5,000,0000 bits/sec, word size from 4 to 16 bits, and supporting 9 distinct codes. This equipment is interfaced to the VAX 11/780 computer.

Video Digitization

Standard video is digitized at 10 MHZ to 8 bit resolution within + 1.024 to -1.024 volts through the HP 2100 computer to 9 track 1600 BPI digital tape. Total samples per run is limited to 7.5 million.

Special Data Reduction Systems

This is an in-house developed system which receives data from diversified sources. Flags special words, compresses data, interlaces different inputs, and interfaces to both the UNIVAC 6135 and the VAX 11/780 computers for digital storage and processing.

* * * * * FUTURE DEVELOPMENTS * * * * *

A far-reaching decision was made in Sep 81 that will shape the future of the AFWL Computer Center. We will be installing the Cray Time Sharing System (CTSS) on the AFWL Cray in July 82 and moving to a fully interactive network by Oct 83.

Graphics

Present. Graphics development activity was brisk during 1981 and, with the return of a key individual from a year of graduate training, the future looks bright. During the year, DISSPLA was moved from the CYBERs to the CRAY 1 and is now operational. The MOVIE BYU program was modified and reimplemented under the AFWL META SYSTEM. Drivers were written to support Hewlett Packard HP 2647A terminals and HP 9872 plotters. META was also implemented on our IBM 3031 and converted to run under CTSS on the CRAY.

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Future. The Graphics Development group has two major tasks for 1982. First and foremost, they must support transition of all AFWL graphics functions so that they run smoothly under CTSS. Second, development of our META replacement, META II, will begin in earnest. META II will vastly improve our raster graphics capability.

Network Support

Present. The year 1981 brought a temporary setback to AFWL Network Development. This was due to the fact that additional pt-to-pt links had to be added between our major worker machines so that the Common File Systm (CFS) and CTSS could be implemented at AFWL by Jul 82. This will result in a network configuration that is extremely tightly coupled and has a distinct lack of flexibility.

Future. We will move to restore and enhance network flexibility by enhancing our network protocol, CENTIPEDE, and implementing it on all of our worker-machines. This will result in removal of all our multi-ported Hyperchannel. Our interactive network will be fully operational by Oct 83.

File Storage

Present. Our current file storage capability is interspersed between the CYBER and CRAY permanent disk files and our IBM 3850 Mass Store Facility (MSF). Files are currently stored in the MSF under three different and wholly independent storage systems. Our program to reduce this fragmented and inefficient file storage system began in Oct 81 with the implementation of the LANL built Common File System (CFS) which now is operational only from the AFWL CDC workers.

Future. The AFWL future in file storage lies with the IBM MSF and CFS. Early in 1982, the Permanent File Process (PFP) was phased out, leaving only two file storage systems on the MSF. Simultaneous with our move to CTSS in Jul 82 will be the beginning of the phase out of the file storage method that now ties the CRAY under COS to the MSF. In its place will be CFS, and, when the phase out is complete, only CFS will be used for file management at AFWL. In anticipation of huge increases (already apparent) in MSF utilization, AFWL has ordered an A02 box extension to our MSF which is expected NLT Sep 82. This MSF expansion will increase capacity almost 300% and should meet our needs through 1983.

On-line Documentation

Present. Currently, system and user documentation is only on-line to those AD personnel with IBM access. This unhappy condition needs to be rectified badly.

Future. With the advent of CTSS on the CRAY in Jul 82, we will also implement on-line access to CTSS and CFS user documentation. Any customer with access to central site will be able to obtain on-line access to user documentation for all computer services by the end of 1982.

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Data Communications

This is our weakest area. We plan to put a concentrated effort into improving data communications in FY83. Our plans include the following:

a. Protocols

(1) Support X.25 on voice grade data circuits.

(2) Support TCP on both voice grade data circuits and on a wide-band local network.

(3) Support CENTIPEDE internal to central site.

(4) Support DECNET both as a stand alone protocol and with TCP on lower layers.

b. Goals

(1) Error detection and correction.

(2) Redundancy.

(3) Speed Transparency.

(4) Flexible expansion.

(5) Compatibility with DoD and commercial standards.

(6) Maximum bandwidth consistent with distance and dollar cost.

(7) Freedom from excessive layering.

(8) Possibility for user-to-user connections in addition to user-to-central site connections.

(9) Capability to handle files and interactive terminal traffic.

(10) Maintainability.

c. Order of Development.

(1) Develop ETHERNET under TCP to link remote PDP 11 terminals into KCC.

(2) Develop ETHERNET under TCP to act as bottom layers of DECNET for file transfers.

(3) Investigate the efficiency of ETHERNET to act as a central site packet switch.

(4) Investigate the feasibility of installing X.25 protocol on top of TCP protocol.

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(5) Develop gateway between TCP and CENTIPEDE interactive terminal handler.

d. Hardware Procurement FY 82

(1) Purchase 3COM hardware and software with a four node ETHERNET.

(2) Purchase X.25 hardware and software to act as a terminal concentrator. Both DYNAPAK X.25 and Associated Computer Consultants IF/X.25 are under investigation.

RJETS and Distributed Processing

a. The design of the remote job entry terminal (RJET) systems for AFWL has been completed. The development/prototype system and two "friendly" user systems have been specified and ordered. When completed, 13 RJETs within AFWL will have been replaced.

b. The hardware will be a minicomputer, 20 megabyte disk, 8 line asynchronous interface unit, card reader and printer. The new expanded AFWL RJET will be primarily a terminal-disk based system. Editing and manipulation of files will be done at the local level. This should allow more flexibility and higher productivity for AFWL computer users.

c. Software to be used is the RTE package developed by Anamet Laboratories Inc. and enhanced by AFWL personnel. A multiuser operating system will be used on the minicomputer to allow more than one user at a time on the local station. All input jobs to the central site mainframes and all output from these mainframes will be spooled for greater flexibility and service to the user.

Future Data Conversion Systems

a. Analog Reproduction of Recorded Media

Obtain hardware to support high density digital recorded magnetic tape data with bit rates up to 1 billion bits per second.

b. Analog to Digital (A-D) Conversion

Develop high speed A-D system interfacing to the VAX 11/780 with a conversion rate of 1 million samples per second and a resolution of 8 bits/sample and maintain present high resolution A-D system.

Interface a processor to the A-D system to perform automatic engineering scaling of data.

c. Pulse Code Modulation (PCM) Reformat

Upgrade current system for faster throughput rate to computer. Develop an off-line word selectable graphic display for quick-look evaluation. Ability to decode PCM serial stream to bit level output.

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d. Video Digitization

e. Special Data Reduction Systems

Interface all conversion systems to a programmable data compressor/multiplexor for use in development of special data conversion systems.

Increase reliability, throughput rate, and operational simplicity of entire conversion system.

Hard Copy Output (Central Site)

Central site supports several modes of hardcopy output which ranges from the standard line printer to photographic movie generation. The AFWL META system provides for the selection of the various output modes either singly or in combination. The table below lists the equipment supported, its function and provides rough averages of monthly outputs.

DEVICE	PRODUCT	#JOBS	MONTHLY VOLUME
Printers	Hard Copy Line Print		360 boxes
Data Graphix	Fiche Line Print	700	2700 fiche
Information Int FR80			
B&W	Fiche Plots	1200	2000 frames
16mm Color	Graphics	12	3000 frames
35mm Color	Graphics	350	4000 frames
Gould	Hard Copy Plots		27,500 plots
Calcomp	Hard Copy Plots		150 plots

There are several known weaknesses in our hard copy support which we are attempting to correct. Our film turnaround has been dramatically improved by management attention which has yielded improved attention to processing schedules. But we are still using outdated and unsupported Calcomp plotters, and our printed listing output is both manpower intensive and subject to error (lost listings). To solve these problems, we have been looking at the acquisition of an IBM 3800 Printing System. This is an 18,000 lpm printing system that would replace our existing CDC printers. It would have a collator that will separate each listing, drastically reducing the time now required to burst listings. The system also has the potential for doing plotting but AD would have to do some software development. How much would have to be done and how the effort would be meshed into the five-year plan efforts has yet to be determined. But there appears to be enough benefits associated with the line printing function to warrant acquisition. We propose to obtain the system and hold off the development of the plotting function until we determine the full capabilities of the system as it applies to our computer output requirements.

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OVERALL SYSTEM UTILIZATION COSTS FOR FY82

EFFECTIVE DATE: 1 FEBRUARY 1982

SYSTEM	DESCRIPTION	PRICE $
BASIC RATES:		
CRAY		
RATE A	0600 - 1800 MON - FRI	1962.00/SBU
RATE B	1801 - 0559 MON - SAT	1472.00/SBU
RATE C	0600 SAT - 0559 MON	1275.00/SBU
CDC 750		
RATE A	0600 - 1800 MON - FRI	1282.00/SBU
RATE B	1801 - 0559 MON - SAT	961.00/SBU
RATE C	0600 SAT - 0559 MON	834.00/SBU
CDC 6600		
RATE A	0600 - 1800 MON - FRI	653.00/SBU
RATE B	1801 - 0559 MON - SAT	490.00/SBU
RATE C	0600 SAT - 0559 MON	424.00/SBU
IBM 3031		
RATE	SAME RATE AT ANY TIME	328.00/SBU
SUPPLEMENTAL RATES:		
CDC 750/6600	TERMINAL CONNECT TIME	11.50/WCH
IBM 3031	TERMINAL CONNECT TIME	17.25/WCH
IBM 3031	MASS STORE/ON-LINE	0.017/FSU/DAY
IBM 3031	MASS STORE/OFF-LINE	NO CHARGE
IBM 3031	PERMANENT FILE STORAGE	0.035/FSU/DAY
IBM 3031	CFS OFF-LINE RETRIEVAL	5.75/CARTRIDGE
CRAY/6600/750	PERMANENT FILE STORAGE	0.069/FSU/DAY
CRAY/6600/750/3031	TAPE USAGE	5.75/TAPE
CRAY/6600/750	JANUS	3.45/JBU
CRAY/6600/750	ARCHIVE	1.15/REQUEST
3031/6600/750	CFS FILE TRANSFER	0.028/FSU
CRAY	STATION	.004/DB
ADD/PREPROCESSING	MACHINE HOUR	$7.50/MH
ADD/EMR	MACHINE HOUR	74.75/MH
ADD/HP-2100	COMPUTER HOUR	46.00/CH
ADD/VAX 11/780	MACHINE HOUR	126.50/MH
ADD PLOTS	GOULD AND CALCOMP	0.115/PLOT
FILM	COLOR	0.161/FRAME
FILM	BLACK AND WHITE	0.092/FRAME
MICROFICHE	PRINT OUTPUT	2.30/MEGABYTE
MICROFICHE	GRAPHICS	2.42/FICHE
PDP 11-34	MACHINE HOUR	23.00/MH

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OVERALL SYSTEM UTILIZATION COSTS FOR FY82

CLASSIFIED SERVICE: Classified rates will be the same as the basic rates (A, B, or C) for the CRAY, CDC 750, or CDC 6600, except that the charge will be based on a wall clock hour. CRAY classified users will be charged for the front-end processor (CDC 6600 or CDC 750) used during the processing session, in addition to the CRAY.

DEFINITIONS:

SBU: System Billing Unit
WCH: Wall Clock Hour
MH: Machine Hour
CH: Computer Hour
RB: Record Block
PRU: Physical Record Unit
DB: Disk Block

Connect Time: Charges apply only to terminals which are logged in between 0700 and 1900 hours local time, Monday through Friday. No charges are levied at other times.

Disk Block: 512 64-bit words or 4096 bytes.

File Storage Unit: One File Storage Unit (FSU) is defined as 3584 (64-60 bit) words or 1FSU=1RB=56PRU=7DB.

Janus Billing Unit: A Janus Billing Unit (JBU) is defined as:

a. 1000 lines printed at central site, or
b. 1000 cards read at central site, or
c. 200 cards punched at central site, or
d. any combination of a, b, or c.

Red Carpet Service: This high-priority service is available 24 hours/day, 7 days/week. Red carpet jobs will have a higher priority than any normal A, B, or C job. The rate for Red Carpet Service will be twice the prevailing basic rate.

Off-Line Retrieval Charge: This charge is incurred when a user requests access of a data file residing on a mass-storage cartridge stored off-line requiring retrieval and installation by the central-site operator.

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DEPARTMENT OF THE AIR FORCE
Headquarters Air Force Systems Command
Andrews Air Force Base, DC 20334

PLP AFSC REGULATION 172-2

15 June 1977

Budget

FUNDING SUPPORT AND USE OF R&D ACTIVITIES

This regulation establishes policies and funding practices that apply to the use of AFSC research and development facilities essential to conducting R&D and systems development programs. It gives the principles governing the use of the RDT&E mission program funds to reimburse the management and support (M&S) programs for direct costs incurred by M&S programs in support of mission programs. This regulation is the AFSC implementation of the programming and budgeting portions of AFR 177-13.

1. Applicability. This regulation applies to use of mission program funds to reimburse the RDT&E M&S programs at SAMSO (less SAMTEC and the AFSCF), ASD (less the 4950th Test Wing), ESD (less RADC), and AFSC laboratories. The term "laboratories" includes OSR, RADC, AFATL, Det 1 (CEEDO)/ADTC, AMRL, and SAM activities funded in category 6.2 of the RDT&E appropriation. AFSCR 172-8 contains policies on use of mission program funds to reimburse the OSD-designated test and evaluation facilities. AFM 172-1, vol I, chap 14/AFSC Sup 2 gives direct use of mission program funds for in-house support. For guidance on non-AFSC organization use of AFSC activities, refer to AFSCR 27-5 and AFM 172-1, vol I, chap 7, sec I.

2. Terms Explained:

a. RDT&E Program. The name of Program VI, one of the 10 OSD major programs that includes efforts associated with the pursuit of basic research; exploratory, advanced, and engineering development; and program-wide management and support. Appropriations that apply to this program are limited to Military Construction (3300), Military Personnel (3500), RDT&E (3600), and Family Housing (0300) (atch 1).

b. RDT&E Funds. Include all appropriated funds in Program VI (all appropriations) plus all the RDT&E appropriation funds in other than Program VI. The term "R&D Funds" is sometimes used instead of "RDT&E funds."

c. RDT&E Field Activities. The primary source of operating funds for SAMSO, divisions, centers, and laboratories is the RDT&E appropriation that includes the term "R&D Installations."

d. RDT&E Facilities. Structures (both permanent and temporary types), R&D equipment, and space (air/terrain, enclosed-environmentally controlled) essential to the conduct of approved R&D programs/projects. This includes analytical (as opposed to administrative), design (engineering design and drafting), experimental test and evaluation facilities, and associated technical-storage-type facilities.

e. Operating R&D Field Activity. The R&D field activity having operating responsibility for R&D facilities within its management purview.

f. Common Support. Applies to administrative or support-type services that are provided alike to two or more Air Force activities (or R&D projects) on a nonreimbursement basis. Funds for common support are included in the institutional funding provided by HQ AFSC to the R&D field activities. Examples of such costs are those incurred for utilities, maintenance of roads and grounds, and operation of personnel offices or accounting and finance offices. This is the kind of support normally provided by a host activity to a tenant activity on a nonreimbursement basis (AFSCR 170-9). Also, these costs are analogous to the indirect and overhead costs identified by the Job Order Cost Accounting System (JOCAS) (AFSCM 177-265). The laboratories, however, may be reimbursed for common support provided to non-Air Force customers (atch 2).

g. Direct Support. Applies to support (including civilian pay) feasibly identifiable to an activity or job order when the receiving activity must pay for the goods or services received. It includes all locally funded services, supplies and materiel identifiable to customer funded orders for in-house technical effort (AFSCR 177-2). AFSCR 172-8 gives a list of typical direct-support (direct cost) items.

h. Mission Program Funds. R&D appropriation funds for work performed under contract with private industry, educational institutions, Federal contract research centers, and other Government agencies. Conceptually, mission program funds are for accomplishing the overall AFSC goals of developing and buying weapon

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Supersedes AFSCR 172-2, 23 Feb 70. (For summary of revised, deleted, or added material, see signature page.)
OPR: ACB 8-858-3976 Mr. Pemberton
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*See change 1, 27 Jul 77

Item # 2

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systems as opposed to operating and maintaining facilities (AFM 172-1, vol I, para 14-3a).

i. Management and Support Program Funds. RDT&E appropriation funds used for the operation and maintenance of the R&D field activities. These funds are used as the carrier programs to initially finance the operating costs of the R&D field activities (AFM 172-1, vol I, para 14-3b).

3. Background:

a. The primary thrust of AFR 177-13 is aimed at developing accounting systems for research and development. It has a corollary purpose, however, to establish the principle that any work that can be identified to an R&D project should be funded in the project rather than in an overall management and support program. Thus in-house work, if identifiable to a mission project, should be funded in that project rather than in program-wide M&S project. AFR 177-13, atch 1, para VB2, is summarized as follows:

(1) One type of cost is that which is routinely incurred and attributable primarily to the basic decision to have the R&D installation in being. Such costs are of a common support nature, not directly identifiable to any one customer program. These services are funded on an institutional nonreimbursable basis.

(2) The second type of cost is that which is feasibly identifiable to specific customer orders and should be budgeted for in the mission programs rather than included in the institutional funding provided to the R&D field activity. The customer program will reimburse the operating R&D field activity for this second category of costs. Under the Test and Evaluation funding policies (AFSCR 172-8) these costs are referred to as direct costs.

b. DOD policy envisions the use of chartered service (industrial) funds to facilitate implementing the above. However, the policy to use service funds is not mandatory, and HQ USAF has chosen not to use service funds.

4. Policy:

a. Common support costs at R&D field activities whose operating programs are funded primarily from the RDT&E appropriation will be programmed and budgeted for in the activities' institutional funding NOA (direct) program. However, when common support is provided on a reimbursable basis to non-Air Force customers, the cost of such support will be budgeted for in the activities' reimbursable program.

b. Direct support costs will be programmed and budgeted for in the mission programs. If direct support requirements exist at a field activity, the requirement will be defended in the program element for the RDT&E mission program rather than in the management and support program element of the field activity providing the support.

c. Estimates for direct support costs will include charges to restore R&D facilities or equipment to the original configuration when modification has been previously made and restoration is deemed necessary.

d. Items of technical equipment procured by mission program/project funds for use by the supporting R&D facility will remain at the facility site unless unique to the R&D program/project or needed at another facility later in the test program.

e. At SAMSO, ADTC, ASD, and ESD, Commanders may designate reimbursable RC/CC program offices. Through use of the accounting system for operations, the total RC/CC operating costs may be determined. The mission programs will then reimburse the support programs for the nonpersonnel costs plus overtime. (See para 1 for reference to optional direct-cite procedures.)

f. Laboratory reimbursement policies and procedures are similar to those prescribed in AFSCR 172-8 for the T&E centers and ranges, but with authority delegated to the laboratory directors to waive reimbursement from Air Force customers for amounts up to $20,000 on a case-by-case basis. This waiver authority is intended to permit the laboratory directors to refrain from charging for informal support when they deem reimbursement to be inconsistent with prudent business practices. Generally, informal support is effort the laboratory may provide on a quick-reaction basis to a customer who has not been afforded an opportunity to program and budget for the requirement. Formal support is more long term in nature, programmed and budgeted for by the customer.

(1) All costs of support of research (6.1) programs will be reimbursed except support given to PE 61101F.

(2) Within each laboratory, the 06XX management and support projects will be reimbursed for direct costs of support provided by the laboratory to non-6.2 program elements for which the laboratory is OPR.

(3) Between laboratories, all direct costs of support of efforts which exceed $20,000 in a single fiscal year will be reimbursed from the benefiting program.

(4) Programs assigned to AFSC organizations other than a laboratory will reimburse individual laboratories for direct costs of support which exceed $20,000 in a single fiscal year. (Across-the-board reimbursement for civilian salaries, however, will not be required until FY 79.)

(5) All direct costs except military pay are

* See Change 1, 27 Jul 77

line application. 4 f(6) and Table segment. See AFSC Ltr 9 Jan 78.

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reimbursable for support provided Air Force organizations outside AFSC, unless cost of support is less than $20,000 and reimbursement is waived by the laboratory director.

(6) All costs, except military pay, are reimbursable for support provided to other DOD organizations. However, in cases where mutual benefit exists and joint participation is desirable, the laboratory Commander/Director may negotiate the laboratory contribution to such a joint effort if the effort is supported by AFSC Form 607, clearly outlining each participant's contribution. Similar joint participation efforts may be arranged between the laboratories and other Air Force organizations.

(7) All costs, including military pay, are reimbursable for support provided to non-DOD Federal departments and agencies.

(8) All costs, including military pay and user charges as described in AFR 177-8, are reimbursable for support provided to non-Federal organizations.

(9) The JOCAS will be the accounting system used to identify and support all reimbursements between laboratories and their customers (including intralaboratory).

(10) Use AF/EEIC 599 to identify indirect (J88) and overhead (J99) costs that are reimbursable from customers. The NOA EEIC 599 account will be credited for the total of J88 and J99. The RBA EEIC 599 account will be debited for a like amount.

(11) Attachment 2 summarizes the laboratory reimbursement policies.

(12) Policies previously prescribed for REFLEX laboratories (AFFDL, AFATL, and AFAL) provided for including civilian pay in reimbursements collected from customer programs. These REFLEX funding policies may be continued in effect within and between laboratories through FY 77, and between the three REFLEX laboratories and nonlaboratory customers through FY 78. Effective FY 79, this regulation supersedes previously prescribed REFLEX funding policies.

5. Procedures:

a. Program/budget submissions will be prepared according to "Calls for Estimates" issued by HQ AFSC to the field commands.

b. AFSC Form 607 will be negotiated between field activities requesting in-house support of mission programs and the activities requested to perform the support services (AFSCR 172-8). The agreements will describe the support to be provided and give an estimate of the cost. The cost will be included in the requesting activity's mission program as an NOA requirement and in the performing activity's M&S reimbursable program. Frequently, the requester and the performer are under the same activity commander. For example, within a laboratory the requester might be the program manager for an R&D 6.3 category program element. The performer in this case might be the program manager for the R&D category M&S project. Then the use of AFSC Form 607 is optional. Further, when support to be provided by one field activity to another field activity is estimated to cost less than $20,000, the requirement for an MOA is optional.

c. When the customer activity and the performing activity are not under the same commander, AF Form 185, Project Order, will normally be used by the customer activity to make funds available for reimbursement for work accomplished in-house (AFR 170-2 and AFSCR 177-2). Generally, for the performing activity to accept the project order, most of the work must be accomplished in-house on a reimbursable basis, and the amount of the reimbursement determined through JOCAS procedures (AFSCR 177-265). If the customer activities funds are to be direct cited, some other funding document may be used; for example, AF Form 405, Obligation Authority, or AF Form 830, Procurement Directive.

d. When the customer activity (for example, program office) and the performing activity are under the same commander, AF Form 406, Miscellaneous Obligation Document (MOD), will be used instead of AF Form 185 to obligate the mission program funds. In using the MOD, observe the following:

(1) Mission program funds will be obligated in the month the support is to begin.

(2) The amount obligated will be based on the best estimate of obligations to be incurred in providing the support.

(3) The MOD will be closed out at the end of the fiscal year or shortly after.

(4) Management and support program related accounts receivable records will be adjusted to reflect the obligated amount as "unfilled/filled" as applicable.

6. Administration:

a. Financial policies prescribed in this regulation are not intended to change management of programs or end items of equipment.

b. Authorizations for end items of equipment, facility projects, manpower, contract technical services, and other services under DCS/SSOs outside the Comptroller functional area will still be processed as required by directives for the functional areas.

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OFFICIAL

WILLIAM J. EVANS, General, USAF
Commander

DAVID M. HUDACK, Colonel, USAF
Director of Administration

2 Attachments
1. Programs Versus Appropriations
2. Laboratory Reimbursement Policy

SUMMARY OF REVISED, DELETED, OR ADDED MATERIAL

This revision adds emphasis to collecting reimbursements at the laboratories, updates terminology, recognizes the test and evaluation funding policies as a means of implementing AFR 177-13 at the test centers and ranges, and clarifies what support costs may be charged to the mission programs at ASD, ESD, ADTC, and SAMSO. It explains mandatory and optional use of AFSC Form 607, and deletes references indicating intent to place any AFSC field command under a chartered service fund mode of operation.

AFSC-ANDREWS AFB MD 1977

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PROGRAMS VERSUS APPROPRIATIONS										
PROGRAMS / APPROPRIATIONS	I STRATEGIC FORCES	II GEN PURP FORCES	III INTELL & COMM	IV AIRLIFT/SEALIFT	V GUARD & RES FORCES	VI R&D	VII CENTRAL SUPPORT & MAINT	VIII TRAINING, MED, & OTHER GEN PERS ACTVS	IX ADMIN & ASSOCIATED ACTIVITIES	O SUPPORT TO OTHER NATIONS
3010, 3020, 3080 PROCUREMENT										
3300 MIL CONSTRUCTION						X				
3400 O&M, AF										
3500 MIL PERS						X				
3600 RDT&E	X	X	X	X	X	X	X	X	X	X
3700 RESERVE PERS										
3800 NAT GUARD										
0700 MIL FAM HOUSING						X				

Definition: R&D resources consist of the resources scheduled in Program VI plus the RDT&E funds scheduled in the other programs. Only the four appropriations indicated may be scheduled in Program VI. The remaining appropriations may be scheduled in all programs except Program VI. The "X" in the above matrix indicates possible distribution of R&D resources.

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DEPARTMENT OF THE AIR FORCE
Headquarters Air Force Systems Command
Andrews Air Force Base, DC 20334

CHANGE 1
AFSCR 172-2
27 July 1977

Budget

FUNDING SUPPORT AND USE OF R&D ACTIVITIES

AFSCR 172-2, 15 Jun 77, is changed as follows:

Write-In Changes:

Page	Paragraph	Line	Action
1	1	7	Change "Det 1 (CEEDA)/ADTC" to "Det 1 (CEEDO)/HQ ADTC."
1	1	13	After "gives" add: "authority for"
1	2a	1	Change "RDT&E" to "R&D"
1	2b	1	" " " "
1	2c	1	" " " "
1	2d	1	" " " "
1	2e	1	" " " "
2	2h	2	After "facilities" add: "Includes funds used to reimburse field activities for in-house work performed in support of the mission programs."

OFFICIAL

WILLIAM J. EVANS, General, USAF
Commander

DAVID M. HUDACK, Colonel, USAF
Director of Administration

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AFSC—Andrews AFB MD 1977

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DEPARTMENT OF THE AIR FORCE
Air Force Weapons Laboratory (AFSC)
Kirtland Air Force Base NM 87117

AFWL SUPPLEMENT 1
AFSCR 172-2
15 May 1980

Budget

FUNDING SUPPORT AND USE OF R&D ACTIVITIES

AFSC Regulation 172-2, 15 June 1977, is supplemented as follows:

*4f. The Financial Management Branch, AFWL/PRF, is the focal point for AFWL reimbursement policies and procedures. The AFWL policy is that all reimbursable costs are collected and nothing is waived. However, if the Air Force Weapons Laboratory (AFWL) performing activity believes an exception is warranted, a letter of justification citing the reasons is prepared and routed through AFWL/PRF for command approval. After command action, an AFSC Form 607, Memorandum of Agreement, is prepared under para 5b.

4f(3)&(4). All direct costs of support of efforts regardless of dollar amount are reimbursable.

4f(6). Where there is an annual Memorandum of Agreement (MOA) or Memorandum of Understanding (MOU) with the ordering activity, for example, DNA and ARPA, it is not necessary to prepare a form 607 for each individual request for work.

*4f(13)(Added). The AFWL performing activity is responsible for monitoring the accrued costs for the work performed. In the event that excess funds exist for withdrawal or additional funds are required to complete the work, the AFWL performing activity prepares a notification to the customer reflecting the revised cost estimates. This should be accomplished not later than 45 days prior to the expiration date of the funds received and forwarded to AFWL/PRF for transmittal.

*5b. Requests for support received by AFWL organizations direct from non-AFWL activities must be forwarded to AFWL/PRF for action. AFWL/PRF logs in the request and forwards it through channels with a letter of instructions to the appropriate AFWL performing activity. The normal response to outside customers is by form 607 which is prepared by the performing activity. Form 607, with items 1 - 4 completed, is returned to AFWL/PRF with an indorsement to the letter of instructions. PR signs the form 607 for AFWL, prepares a letter of transmittal and forwards the signed form 607 to the ordering activity. The ordering activity is requested to return one signed copy of the form 607 with the funding document for the agreed amount.

Supersedes AFSCR 172-2/AFWL Sup 1, 17 May 1979
No. of Printed Pages: 2
OPR: PRF (Capt E.R.S. Tull)
Approved by: Mr. E.G. Clements
Editor: A.M. Conilogue
Distribution: F;X
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LABORATORY REIMBURSEMENT POLICY

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
COST CATEGORY	RESEARCH 6.1 (EXCEPT 61101F)	WITHIN LAB (NON 6.2)	BETWEEN LABS	OTHER AFSC	NON-AFSC OTHER AIR FORCE	NON-AF OTHER DOD	NON-DOD USG	NON-USG AND US COMMERCIAL USERS
DIRECT LABOR—MILITARY	NO	NO	NO	NO	NO	NO	YES	YES
DIRECT LABOR—CIVILIAN	YES	YES	YES	YES	YES	YES	YES	YES
OTHER DIRECT COSTS	YES	YES	YES	YES	YES	YES	YES	YES
INDIRECT OVERHEAD—MILITARY (which is A)	NO	NO	NO	NO	NO	NO	YES	YES
INDIRECT OVERHEAD—NONMILITARY	YES	NO	NO	NO	NO	YES	YES	YES
USER CHARGES (AFR 177-8) and AFSCR 177-4	NO	NO	NO	NO	NO	NO	NO	YES

REMARKS:

1. Column 2: civilian labor costs incurred in support of other AFSC are not reimbursable until FY 79.
2. Columns 3 thru 6: the laboratory director may waive the first $30,000 of reimbursable cost on a case-by-case basis.
3. Columns 4 thru 8: laboratory directors may negotiate reimbursable costs on mutually benefiting jobs. being changed per 95am 71 letter
4. Columns 2 thru 9: JOCAS will be used to support reimbursable billings in all cases.
5. Column 8: military labor is not accelerated. (Use JOCAS standard rates.)
6. Column 9: military labor must be accelerated. (Use JOCAS standard rates plus factors prescribed for military benefits such as medical, retirement, PCS, etc. (AFM 177-101, Part V).

5b(1). When AFWL is the ordering activity and requests support from a non-AFWL activity, the non-AFWL activity should forward the MOA to the requesting AFWL activity for signature. The MOA shall be signed at the same AFWL level of approval required for the applicable outgoing funding document (AFWLR 170-1). A copy of the MOA must be forwarded to AFWL/PRF along with the funding document.

5b(2). Block 2 of form 607 must include the following information:

a. Work to be performed: (Referencing the customer's incoming letter is sufficient.)

b. Period of performance:

*c. Cost estimate: List by FY the AFWL cost estimate to accomplish all tasks in this effort. NOTE: It is the AFWL performing activity's responsibility to insure that all costs (from all divisions, if applicable) are identified and included in this estimate.

FY____	FY____	FY____	TOTAL
XX	XX	XX	XXX

d. Technical and administrative contracts.

5b(3). Items 3 and 4, form 607, are completed for only one fiscal year's cost estimates. If the period of performance for the effort covers more than one fiscal year, a revised form 607 is prepared and forwarded to AFWL/PRF 45 days prior to the end of the fiscal year. This revised form 607 re-establishes the next fiscal year's cost estimates and a new funding document is requested from the ordering activity.

FOR THE DIRECTOR

HUBERT JUSTICE, CMSgt, USAF
Director of Administration

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AFSCR 172-2/AFWL SUP-1 Attachment 1 17 April 1978

MEMORANDUM OF AGREEMENT
(COST OF TEST AND EVALUATION (T&E) SUPPORT OR OTHER IN-HOUSE TECHNICAL EFFORT)

TO: *(Ordering Activity)*	FROM: *(Performing Activity)*

1. IDENTIFICATION OF ORDERING ACTIVITY PROGRAM THAT WILL REIMBURSE PERFORMING ACTIVITY

A. PROGRAM ELEMENT NUMBER	B. PROGRAM ELEMENT TITLE
C. PROGRAM/PROJECT NUMBER	D. PROGRAM/PROJECT TITLE

2. DESCRIPTION *(Brief description of T&E support or other in-house technical effort to be performed and an estimate of period of accomplishment; start and completion dates. Continue on reverse, if necessary.)*

3. ESTIMATED COST OF EFFORT TO BE PERFORMED *(BY COST CATEGORY)* DURING BUDGET YEAR FY ____	DOLLARS IN THOUSANDS	4. AMOUNT TO BE REIMBURSED BY ORDERING ACTIVITY FOR BUDGET YEAR FY ____
$	A. DIRECT LABOR - MILITARY	$
	B. DIRECT LABOR - CIVILIAN	
	C. OTHER DIRECT COSTS	
	D. INDIRECT/OVERHEAD - MILITARY	
	E. INDIRECT/OVERHEAD - NONMILITARY	
	F. USER CHARGES *(AFR 177-6)*	
$	TOTAL	$

TYPE NAME AND GRADE OF COMMANDER OR AUTHORIZED REPRESENTATIVE OF PERFORMING ACTIVITY	SIGNATURE	DATE
TYPE NAME AND GRADE OF PROGRAM/PROJECT MANAGER OR AUTHORIZED REPRESENTATIVE OF ORDERING ACTIVITY	SIGNATURE	DATE

AFSC FORM AUG 77 607 PREVIOUS EDITION IS OBSOLETE.

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Item # 3

OVERALL SYSTEM UTILIZATION COSTS FOR FY82

EFFECTIVE DATE: 1 FEBRUARY 1982

SYSTEM	DESCRIPTION	PRICE $
BASIC RATES:		
CRAY		
RATE A	0600 - 1800 MON - FRI	1962.00/SBU
RATE B	1801 - 0559 MON - SAT	1472.00/SBU
RATE C	0600 SAT - 0559 MON	1275.00/SBU
CDC 750		
RATE A	0600 - 1800 MON - FRI	1282.00/SBU
RATE B	1801 - 0559 MON - SAT	961.00/SBU
RATE C	0600 SAT - 0559 MON	834.00/SBU
CDC 6600		
RATE A	0600 - 1800 MON - FRI	653.00/SBU
RATE B	1801 - 0559 MON - SAT	490.00/SBU
RATE C	0600 SAT - 0559 MON	424.00/SBU
IBM 3031		
RATE	SAME RATE AT ANY TIME	328.00/SBU
SUPPLEMENTAL RATES:		
CDC 750/6600	TERMINAL CONNECT TIME	11.50/WCH
IBM 3031	TERMINAL CONNECT TIME	17.25/WCH
IBM 3031	MASS STORE/ON-LINE	0.017/FSU/DAY
IBM 3031	MASS STORE/OFF-LINE	NO CHARGE
IBM 3031	PERMANENT FILE STORAGE	0.035/FSU/DAY
IBM 3031	CFS OFF-LINE RETRIEVAL	5.75/CARTRIDGE
CRAY/6600/750	PERMANENT FILE STORAGE	0.069/FSU/DAY
CRAY/6600/750/3031	TAPE USAGE	5.75/TAPE
CRAY/6600/750	JANUS	3.45/JBU
CRAY/6600/750	ARCHIVE	1.15/REQUEST
3031/6600/750	CFS FILE TRANSFER	0.028/FSU
CRAY	STATION	.004/DB
ADD/PREPROCESSING	MACHINE-HOUR	57.50/MH
ADD/EMR	MACHINE HOUR	74.75/MH
ADD/HP-2100	COMPUTER HOUR	46.00/CH
ADD/VAX 11/780	MACHINE HOUR	126.50/MH
ADD PLOTS	GOULD AND CALCOMP	0.115/PLOT
FILM	COLOR	0.161/FRAME
FILM	BLACK AND WHITE	0.092/FRAME
MICROFICHE	PRINT OUTPUT	2.30/MEGABYTE
MICROFICHE	GRAPHICS	2.42/FICHE
PDP 11-34	MACHINE HOUR	23.00/MH

APPENDIX A

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OVERALL SYSTEM UTILIZATION COSTS FOR FY82

CLASSIFIED SERVICE: Classified rates will be the same as the basic rates (A, B, or C) for the CRAY, CDC 750, or CDC 6600, except that the charge will be based on a wall clock hour. CRAY classified users will be charged for the front-end processor (CDC 6600 or CDC 750) used during the processing session, in addition to the CRAY.

DEFINITIONS:

SBU: System Billing Unit
WCH: Wall Clock Hour
MH: Machine Hour
CH: Computer Hour
RB: Record Block
PRU: Physical Record Unit
DB: Disk Block

Connect Time: Charges apply only to terminals which are logged in between 0700 and 1900 hours local time, Monday through Friday. No charges are levied at other times.

Disk Block: 512 64-bit words or 4096 bytes.

File Storage Unit: One File Storage Unit (FSU) is defined as 3584 (64-60 bit) words or 1FSU=1RB=56PRU=7DB.

Janus Billing Unit: A Janus Billing Unit (JBU) is defined as:

a. 1000 lines printed at central site, or
b. 1000 cards read at central site, or
c. 200 cards punched at central site, or
d. any combination of a, b, or c.

Red Carpet Service: This high-priority service is available 24 hours/day, 7 days/week. Red carpet jobs will have a higher priority than any normal A, B, or C job. The rate for Red Carpet Service will be twice the prevailing basic rate.

Off-Line Retrieval Charge: This charge is incurred when a user requests access of a data file residing on a mass-storage cartridge stored off-line requiring retrieval and installation by the central-site operator.

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DIRECTED USE OF GOVERNMENT FACILITY REGARDLESS OF EFFECT ON OVERALL PROJECT

UIS had a sub-contract with PAN AM to provide computer services to the Air Force's Arnold Engineering Developing Center (AEDC). The Air Force directed PAN AM to terminate its contract with UIS and obtain services from the AFWL. This action was taken without an analysis of the impact both technical and cost on tasks in process.

Item Reference	Description/Comment
4.	Letter from Lt Col Crawford raising concerns regarding decision to transfer from UIS (then UCS) to AFWL.
5.	Memo from Keith L. Kushman raising concern regarding equivalence of service between UIS and AFWL.
6.	Study of proposed transfer of service from UIS to AFWL Note Item B of the study which states "In general, UCS provices a much higher level of user support." Note item C which indicates that AEDC utilizes proprietary UCS software which saves 10 to 20 percent of the manhours requried to set up a job. Further, the study recommends alternate methods of run submission or developing similar software. The latter option would be an infringement of UIS' proprietary interests. Estimated 12,504 total hours for conversion.
7.	AFSC Form 351 received in response to FOIA request noting that "no technical analysis was performed detailing the differences between AEDC's existing commercial source of CRAY resources and the Kirtland facility."
8.	Trip Report prepared by Captain Beck See 7, page 2 which shows that UIS (then UCS) had exclusive rights to MSC/NASTRAN on the CRAY and that AFWL personnel were seeking to obtain the product.

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DEPARTMENT OF THE AIR FORCE
HEADQUARTERS ARNOLD ENGINEERING DEVELOPMENT CENTER (AFSC)
ARNOLD AIR FORCE STATION, TENNESSEE 37389

ROBINSON
WHITEHEAD
FILE
ITEM
4
File: KB
2 of

REPLY TO ATTN OF: DOP 04 MAY 1981

SUBJECT: Possible Impact of Cray Usage Transfer from USC to AFWL

TO: AEDC/AC

1. AEDC/DOP has been advised that Cray computer usage may be transferred from the UCS Cray to the Air Force Weapons Laboratory (AFWL) Cray effective Feb 82 (PKO Ltr #P81-134 dtd 18 Mar 81). Structural analysis for AEDC test and facility support uses computer programs presently available through UCS. An interruption or an impairment of the use of these programs would have adverse impacts on AEDC's rapid analysis for test and facility structural analysis support capability (attached). DOP has the following concerns:

a. The availability of structural analysis software and its support.

b. The interactive graphics capability to exploit the skills of the analyst.

c. The capacity of working file storage for the meaningful manipulation/presentation of computational results.

Concern items b and c are the reasons why general purpose structural analysis programs have not been brought to the AEDC computer system. Interactive graphics limitations are the primary consideration.

2. The "operational test" period, Aug - Dec 81, cited in the referenced PKO letter should include a quantitative comparison between the AFWL and UCS Cray systems addressing:

a. Finite element mesh generation of a typical problem.

b. Problem solution.

c. Post processing of calculated data.

3. A meaningful comparison would have to be done using a problem (or portions thereof) of complexity comparable to the M-X support currently in progress.

a. Interactively generating the finite element model.

b. Problem solution (a single dynamic analysis run produced a 100 million word output file).

c. Interactive processing and analysis of large output files to insure structural integrity.

d. Combining a contractor supplied engine substructure with the test stand model for pretest engine/stand dynamic analysis.

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e. Maintaining the engine/stand model for use as an investigating tool if structural problems are encountered during the test series.

4. The comparison will require the use of ANSYS and NASTRAN (MMS). Both of these programs are proprietary codes which are presently available through UCS. The above codes would have to be made available for use on the AFWL computer system.

5. This comparison would allow AEDC to determine if there were any detrimental effects associated with the change and if so to provide the data for evaluation and decision.

ROGER A. CRAWFORD, Lt Col, USAF
Assistant Deputy for Propulsion Test
Deputy for Operations

1 Atch
Potential Impact

2

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ITEM
#5

File: AAS
22F

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS ARNOLD ENGINEERING DEVELOPMENT CENTER (AFSC)
ARNOLD AIR FORCE STATION, TENNESSEE 37389

13 May 1981

MEMO TO: Dr Reese

Charlie Vaughn (CSC) gave me a copy of the document on conversion to the AFWL CRAY which I have subsequently reviewed. It appears that an important issue has not yet been addressed:

> the potential for a commitment by AFWL to provide "equivalent service", especially in terms of a minimum number of CPU hours per month.

If true equivalency (or least adequate service) is to be achieved, we must have access to the CRAY. That access should be of sufficient duration to justify the considerable one time expenses. Are we addressing this issue?

Keith

KEITH L. KUSHMAN
Directorate of Technology
Deputy for Operations

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Pan Am World Services, Inc.
Mission Support Services Project
Arnold AFS, Tennessee 37389

ITEM #6

14 May 1981

Pan Am No. CA-81-0225

Department of the Air Force
Headquarters Arnold Engineering
Development Center (AFSC)
Arnold Air Force Station, TN 37389

ATTN: Lt Col John J. Love, III
Contracting Officer

THRU: Manager, Contract Administration CAO

Subject: UCS CRAY to AFWL Conversion

Dear Sir:

Air Force letter No. P81-134 requested a study of the proposed transfer of AEDC computational support from the United Computing Services (UCS) CRAY computer to the Air Force Weapons Laboratory (AFWL) CRAY computer. The attached report presents the results of the requested study. Possible problem areas are identified, cost differences between the two computational services given and a conversion plan, schedule, and cost estimate presented.

If there are any questions concerning this report, please contact J. M. Sherrer at Extension 5220.

Very truly yours,

J. F. Golden
Division Manager
Technical Services

JFG/JMS/deb

Atch

A subsidiary of PAN AM.

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UCS TO AFWL CRAY CONVERSION STUDY

Prepared By:

COMPUTER SCIENCES CORPORATION
Hal Carey
Joe Farquhar
Dale Hurtig
Bill Anderson

PURPOSE

Air Force Letter No. P81-134 requested a study of the proposed transfer of AEDC computational support from the United Computing Services (UCS) Cray computer to the Air Force Weapons Laboratory (AFWL) Cray computer. This report presents the results of the requested study. Possible problem areas are identified, cost differences between the two computational services given and a conversion plan, schedule, and cost estimate presented.

GENERAL

The study was conducted by interviewing three AEDC UCS users and analyzing listings. The users represented the heavy, medium, and light users. Mr. Lewis Gaby, an AFWL Cray user, visited AEDC and participated in these interviews. Source listings, control statement listing, and operating methods were reviewed.

Mr. Gaby described the AFWL hardware/software configuration as follows:

The AFWL Cray computer has 1 megaword of memory and is front-ended by a CDC 6600 computer and a CDC Cyber 750 computer. The Cray uses the COS level 108 operating system. Both front ends run under the NOS-BE operating system level 396. The Cray computer is available 24 hours per day, 7 days per week, except for a 4-hour period two nights each week. Classified work is run during these two periods. Users are notified of scheduled preventive maintenance well in advance. The up-time record of the Cray has been very good. Consulting support has been poor in the past, but is now improving. Normal Cray turn-around time is two hours on jobs of 1000 or less CP seconds.

Communication lines up to 4800 baud are available. All communication is through two input/output processors. At the present time, most of the higher speed lines are dedicated to other users and would not be available to AEDC.

A. PLAN FOR PHYSICAL CONVERSION

It is recommended that a conversion team be formed to carry out the transition of AEDC programs to the AFWL Cray computer.

This recommendation is made for the following reasons:

- It will free the engineers to continue production work on the UCS system while conversion is taking place.
- The conversion team can become expert in conversion and will be more efficient at it than a user who only has a few programs to convert.
- The engineers will be relieved of the need for learning a new system, converting programs, and doing production on a different system all at the same time.
- While all users will have a learning curve on the AFWL system, this learning curve will be related to the production work, not to the conversion effort. The conversion team can develop expertise in conversion.

It is suggested that the conversion team be composed of programming personnel plus a representative from each user area. This representative will serve as a liaison specialist with the conversion team while the team is working on programs from the representative's area.

The dependency diagram, Attachment A, identifies the tasks that must be performed to insure a complete, orderly conversion to use of the AFWL Cray computer. Attachment B presents a schedule of these tasks.

HARDWARE

The first three tasks are concerned with hardware acquisition and installation. Under task 1, the hardware necessary to do the pilot conversion will be installed. This will probably consist of a CRT terminal with a slow speed modem and a dial-up line. Existing AEDC equipment will be used if possible.

Task 2 addresses the remote hardware necessary for the complete conversion. The possibility of using the Data 100s currently leased from UCS in combination with a hardware line switch is being evaluated.

Task 3 consists of the acquisition and installation of the hardware which will be required to support production.

The preparation of required hardware DARs is included as part of these tasks.

SOFTWARE PACKAGES

The next four tasks identify and procure any software packages required to give AEDC a level of support equivalent to that now being received from UCS.

Task 4 will identify those packages currently being used at UCS.

Task 5 will evaluate the packages available at AFWL with respect to their functional equivalences.

Task 6 will develop procedure for the use of AFWL packages. This task will include user guides which cross-reference AFWL package names and parameters with those being used at UCS.

Any additional functional software capability required by AEDC and available at UCS will be developed or procured under task 7. The manhours given for this task (see Paragraph F, Labor/Travel Cost) is only approximate. This need will vary depending on the availability of commercial software packages and the adequacy of existing AFWL packages.

SOFTWARE CONVERSION

To better enable AEDC personnel to monitor the use of the Cray computer, it is suggested that standard job and file naming conventions be established. The conventions would allow identification of the using facility, individual within the facility, type of file (source program, JCL deck, data, output), and some type of code assigned by the user to identify the job/file function. These naming standards will also make conversion to the AEDC Cray much less difficult when this becomes necessary.

Task 9 will identify and schedule all programs, JCL decks, and files for conversion. This scheduling will be done functionally. The programs, JCL, and data files necessary to provide functional capability will be scheduled to be completed at the same time. Considerations such as frequency of run, frequency of change, and availability of required software packages will be used in scheduling. As part of this task, redundant programs will be identified and dropped from the conversion effort, in coordination with the AEDC users.

Task 10 is a pilot conversion of one application system to insure the conversion procedures are viable. During this task, AFWL user authorization and disk space allocation procedures will be verified.

Tasks 11, 12, and 13 are the actual conversion tasks. The manhour estimate given in Para. F, Labor/Travel Cost is based on the numbers of files currently on the UCS system. This number may decrease as a result of task 9 above.

SOFTWARE TEST AND INSTALLATION

Under task 14 the AEDC end users of the programs converted will buy off the converted programs. Parallel runs will be made on the UCS and AFWL Cray computers and the results compared. Conversion team members will work with the users and assist them in learning AFWL operating differences.

Task 15 is provided to furnish a fall-back position. The programs will remain on the UCS computers but all work will be done on the AFWL system. If any problems on the AFWL system arise that would prevent the users from getting the job done, the UCS system is still available.

TRAINING

The training of the AEDC user will be done either by a member of the conversion team or by an AFWL support individual, if this type of support is provided.

Task 16 is the development of a training plan and schedule. Any training material needed will be developed under this task.

Task 17 is the actual user training.

B. COSTS AND CONSIDERATION

A detail cost breakout is presented under Paragraph F.

As part of the UCS service, an on-site representative is provided to support AEDC Cray users. AFWL provides telephone consulting services. UCS can give daily usage accounting. At the present time, AFWL provides monthly accounting fifteen days after the end of the month.

In general, UCS provides a much higher level of user support.

C. IDENTIFICATION OF SOFTWARE PROBLEMS

Three areas of software incompatibilities were identified. First, AEDC users are currently using a UCS proprietary graphics package. AFWL has two graphics packages which could be used to accomplish the same basic results.

Secondly, UCS has a commercial math/statistical package used by some AEDC users. AFWL has a different math/statistical package. The AEDC programs could be converted to use the package available on the AFWL system or the same package used on the UCS system could be acquired.

Thirdly, UCS has proprietary front-end pre- and post-processing software that is used by some AEDC users. This software would not be available on the AFWL machine. It is estimated that this software saves 10 to 20 percent of the manhours required to set up and submit a run to the Cray computer. Alternate methods of run submission could be developed or similar software written. Writing this software would require an appreciable expenditure of manhours.

The above problem areas were identified as a result of interviews with only part of the AEDC Cray user community. During the course of identifying and evaluating UCS and AFWL software package activities set forth in Paragraph A of the conversion plan, additional problem areas may be discovered. Whether or not additional

packages will be required cannot be fully determined until these activities are completed. Therefore, no cost estimates for these packages are presented.

D. IDENTIFICATION OF HARDWARE ASSOCIATED PROBLEMS

There are no apparent hardware incompatibilities between the UCS and AFWL systems. However, as stated in the AFWL configuration section of this report, there is a shortage of I/O ports on the AFWL system at this time. To support AEDC, it will be necessary for AFWL to make available approximately 21 I/O ports. The cost for these ports will depend on how AFWL accomplishes this requirement. Acquisition of equipment to provide these ports has a 6-to-9 month lead time. Some of the hardware currently being used by AEDC on the UCS system is furnished by UCS. Identification and cost of this hardware is given in Paragraph F.

E. IDENTIFICATION OF EXISTING SERVICES NOT PROVIDED BY AFWL

At the present time, AFWL provides consulting services by telephone. If on-site consulting services are required by AFWL, two courses of action are possible. The first is to train AEDC personnel to serve as consultants. The second is to negotiate with the AFWL consulting support contractor for AEDC consulting support.

F. IMPLEMENTATION AND OPERATION COST

1. One-Time Cost. Table 1 represents the cost in man-hours for conversion to the AFWL computer. Some of the effort expended as part of the conversion will be beneficial when the ASTF Cray computer becomes available for AEDC wide use. For example, the job number/file naming standards will allow much more efficient use of the AEDC Cray. Table 2 represents all other costs.

2. Communication Cost. The cost of four leased lines from AT&T with accompanying modems is $6,500 per month.

3. Recurring Hardware Cost. Lease or purchase of three Data 100 RJE terminals will be necessary to replace the ones currently being leased from UCS. The lease cost of these RJE terminals is $1,101 per month for a total of $3,303 per month. The purchase

TABLE 1. LABOR/TRAVEL COST

	MANHOURS	TRAVEL
HARDWARE PROCUREMENT AND INSTALLATION		2 TRIPS AFWL
PILOT CONVERSION HARDWARE	20	
CONVERSION HARDWARE	80	
PRODUCTION HARDWARE	320	
SOFTWARE PACKAGE PROCUREMENT/DEVELOPMENT.		2 TRIPS AFWL
IDENTIFY UCS PACKAGES USED	160	
EVALUATE AFWL PACKAGE AVAILABLE	80	
DEVELOP PROCEDURES FOR USE OF AFWL PACKAGES	80	
DEVELOP/PROCURE REQUIRED PACKAGES	960*	
SOFTWARE CONVERSION		4 TRIPS AFWL 2 TRIPS UCS
DEVELOP FILE NAME/JOB NUMBER STANDARDS	160	
DEVELOP APPLICATION CONVERSION SCHEDULE	200**	
PERFORM PILOT AND GROUP 1,2, AND 3 CONVERSIONS	12504***	
SOFWARE TEST AND INSTALLATION		
CONDUCT OPERATIONAL TEST	240	
CONDUCT PRODUCTION TEST	160	
TRAINING		
DEVELOP USER TRAINING PLAN	160	
TRAIN USERS	240	
ADMINISTRATION	?	1 TRIP AFWL
TOTALS	15364	9 TRIPS AFWL 2 TRIPS UCS

*THE NUMBER OF MANHOURS FOR THIS TASK WILL DEPEND ON THE INFORMATION GATHERED IN THE PRECEDING THREE TASKS.
**AS PART OF THE TASK, REDUNDANT PROGRAMS AND FILES WILL BE IDENTIFIED. THIS COULD RESULT IN A REDUCTION OF THE NUMBER OF PROGRAMS AND FILES THAT WILL BE CONVERTED IN THE CONVERSION TASK.
***THIS ESTIMATE WAS DEVELOPED BY THE FOLLOWING METHOD:

646 PROGRAMS	AT 8 HOURS EACH	5168
400 JCL DECKS	AT 4 HOURS EACH	1600
956 FILES	AT 6 HOURS EACH	5736
TOTAL HOURS		12504

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price is $118,426.05 for the three units. The maintenance fee for purchased terminals is $147 per month each ($441 for three).

4. Recurring Software Cost. The software packages identified as part of the Software Procurement/Development tasks could require either purchase or lease. The ANSYS math subroutine package is currently being used by some AEDC programs. This package leases for $.66 for each CP second it is used with a $1,000 per month minimum. There is a $10,000 per month maximum. The ANSYS package is not available on the AFWL system at this time.

5. Additive Versus Non-Additive Costs. The composite rate per Cray CP hour on the last invoice from UCS was $2,552.45. The projected composite rate per Cray CP hour on the AFWL system is $2,370.07. $2,000 of this per hour cost is non-additive and $370.07 is additive.

	Additive	Non-Additive
Hardware	$24,400	
Software	?	
Conversion	15,364 Manhours	
Communication Cost	$ 6,500 Per Mo.	
Recurring Hardware Cost	$ 7,303 Per Mo.	
Recurring Software Cost	$ 1,000 Per Mo.	----
AFWL Monthly Charge (for 40 Hours)		$80,000

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ATTACHMENT A

AEDC CONVERSION OF CRAY OF-SITE COMPUTATIONAL
SUPPORT DEPENDENCY DIAGRAM

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ATTACHMENT B

SCHEDULE FOR AEDC CONVERSION OF CRAY OFF-SITE
COMPUTATIONAL SUPPORT

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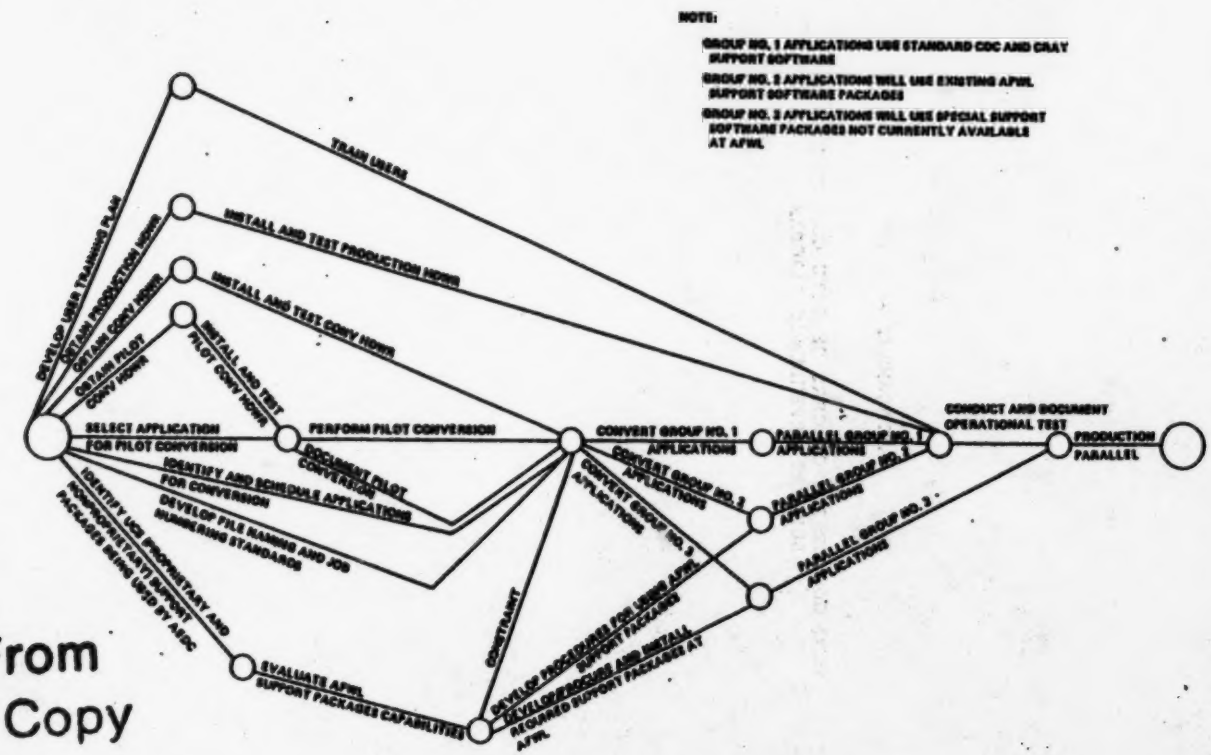
TABLE 2. NONLABOR COST

ITEM	NUMBER	LEASE		PURCHASE	
		UNIT PRICE	EXT. PRICE	UNIT PRICE	EXT. PRICE
DATA 100 RJE TERMINALS	3	$1101	$3,303 PER MO.	$39,475.35	$118,426.05
MAINTENANCE (IF PURCHASED)	3	$ 147			
MICOM MULTIPLEXOR	8			$ 3,050	$ 24,400
ANSYS MATH SOFTWARE PACKAGE	1		$1,000*		
BELL LEASED LINES AND MODEM	4	$1,625 PER MO.	$6,500 PER MO.		
AFWL COMPUTER HARDWARE REQUIRED TO ADD ADDITIONAL I/O PORTS	1		$4,000 PER MO.		

*$1,000 PER MONTH IS MINIMUM COST. CHARGE IS $.66 PER CP SECOND USED. $10,000 IS MAXIMUM.


NOTE:
GROUP NO. 1 APPLICATIONS USE STANDARD CDC AND CRAY SUPPORT SOFTWARE
GROUP NO. 2 APPLICATIONS WILL USE EXISTING AFWL SUPPORT SOFTWARE PACKAGES
GROUP NO. 3 APPLICATIONS WILL USE SPECIAL SUPPORT SOFTWARE PACKAGES NOT CURRENTLY AVAILABLE AT AFWL
DEVELOP USER TRAINING PLAN
OBTAIN PRODUCTION HOURS
OBTAIN CONV HOURS
OBTAIN PILOT CONV HOURS
TRAIN USERS
INSTALL AND TEST PRODUCTION HOURS
INSTALL AND TEST CONV HOURS
INSTALL AND TEST PILOT CONV HOURS
SELECT APPLICATION FOR PILOT CONVERSION
PERFORM PILOT CONVERSION
DOCUMENT PILOT CONVERSION
IDENTIFY AND SCHEDULE APPLICATIONS FOR CONVERSION
DEVELOP FILE NAMING AND JOB SCREENING STANDARDS
IDENTIFY UCS (PROPRIETARY) AND NONPROPRIETARY) SUPPORT PACKAGES BEING USED BY AEDC
EVALUATE AFWL SUPPORT PACKAGES CAPABILITIES
CONSTRAINT
DEVELOP PROCEDURES FOR USING AFWL SUPPORT PACKAGES
DEVELOP PROCEDURES AND INSTALL REQUIRED SUPPORT PACKAGES AT AFWL
CONVERT GROUP NO. 1 APPLICATIONS
CONVERT GROUP NO. 2 APPLICATIONS
CONVERT GROUP NO. 3 APPLICATIONS
PARALLEL GROUP NO. 1 APPLICATIONS
PARALLEL GROUP NO. 2 APPLICATIONS
PARALLEL GROUP NO. 3 APPLICATIONS
CONDUCT AND DOCUMENT OPERATIONAL TEST
PRODUCTION PARALLEL

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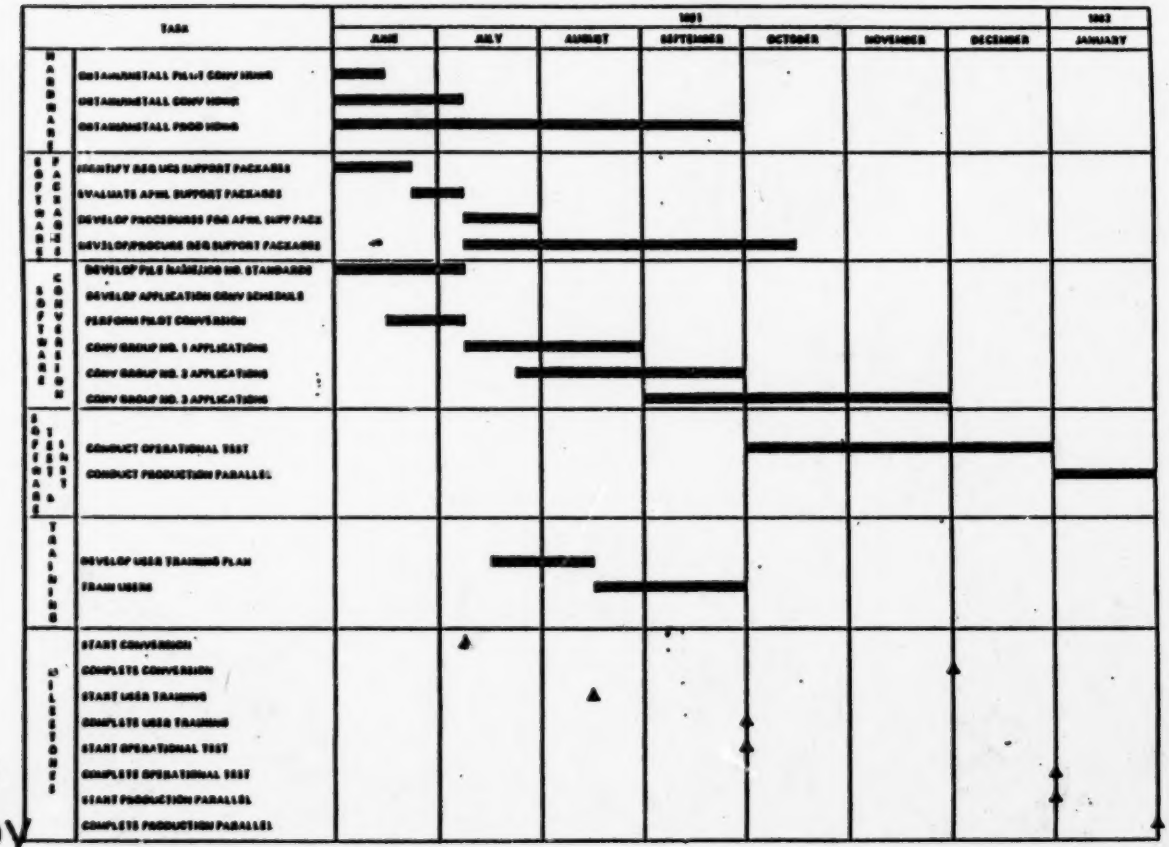
SCHEDULE FOR AEDC CONVERSION OF CDAY OFF-SITE COMPUTATIONAL SUPPORT



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ACKNOWLEDGEMENT OF REQUEST FOR RECORDS Item #7

FROM:
4960 ABS/DADF, Arnold AF Stn TN 37389

DATE
31 August 1981

TO:
(Please refer to Case File #AEDC 81-019 in all correspondence concerning this request.)

Mr George A. Daoust
National Council of Technical Service Industries
888 Seventeenth Street, N. W.
Washington DC 20006

FOR YOUR INFORMATION
Publications and forms required in connection with Air Force or other DOD Contracts and Invitations for Bids (IFB) should be obtained from the official responsible for administering the contract or IFB. *(The Air Force Officer/Official should order records through normal distribution channels.)*

Your request for documents pertaining to conversion to the CRAY computer system dated 11 Aug 81 is acknowledged. The applicable items are checked in regard to this request.

a. We do not retain copies of technical reports, standards, or specifications for distribution. The documents requested are available from:
☐ NATIONAL TECHNICAL INFORMATION SERVICE, 5285 Port Royal Road, Springfield VA 22151.
Cite this number _____.
☐ US NAVAL PUBLICATIONS AND FORMS CENTER, 5801 Tabor Avenue, Philadelphia PA 19120.
☐ DEFENSE TECHNICAL INFORMATION CENTER, Cameron Station, Alexandria VA 22314 to qualified requesters.
Cite this number _____.

b. Your request has been forwarded to HQ AFSC/DAD, Andrews AFB DC 20334 for final release determination.

c. Under revision, availability date unknown at this time. Resubmit your request in approximately _____ days.

d. Your request should be forwarded to _____

e. Your request was misdirected and has been referred to _____

f. We are unable to identify material or information requested from the information furnished, please furnish further identification if possible.

g. Rescinded and no longer stocked.

h. No information on this subject is available in our files.

i. This is to acknowledge receipt of your check or postal money order number _____, dated _____ in the amount of _____. The documents you requested are enclosed.

X j. A determination has been made that the record(s) requested is/are releasable. The established schedule of fees for providing this/these document(s) which is/are available from this organization is $ waived.
Make check or U.S. Postal Money Order payable to _____.
The price quotation is void after 90 days. Please submit a new request after that date if materials are still desired.
(Please note: Only one copy of the above publication(s) or form(s) per customer is/are available.)

ADDITIONAL COMMENTS
1. Documents as listed below are attached.

2. Item 1 in your request cannot be furnished as no technical analysis was performed detailing the differences between AEDC's existing commercial source of CRAY resources and the Kirtland facility.

4 Atch
1. Cost Analysis
2. Draft, Memorandum of Agreement
3. Documents Directing Conversion (Ltrs, 18 Mar 81, 3 Jun 81, 29 Jun 81, 23 Jul 81)
4. Documents Relative to Technical Problems (Ltr, 4 May 81; Memos 13 May 81, 18 Jun 81)

TYPE OR STAMP NAME, GRADE, AND TITLE OF AUTHENTICATING OFFICER
OPAL R. FREEMAN
Freedom of Information Manager

SIGNATURE
Opal R. Freeman

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Item #8

MEMO FOR RECORD 18 June 1981

SUBJECT: Trip Report, Kirtland AFB, N.M., 3-5 June 1981

PURPOSE: To determine if there will be any problems involved in converting the AEDC Computer programs from United Computing Services (UCS) to the Air Force Weapons Laboratory (AFWL) and to establish a Memorandum of Agreement (MOA) with the AFWL for the usage of the CRAY Computer.

AEDC REPRESENTATIVES: Captain Richard A. Beck, AEDC/ACD
Mr Charlie Vaughn, Computer Sciences Corporation (CSC)

ITEMS COVERED

1. Organizational Structure of AFWL. The Computational Division (AD) has been reorganized into the following functional areas:

a. Data Management

b. Computation (Systems Programming)

c. Computer Operations

d. Applications

e. Data conversion.

The organization is now primarily service oriented. That is, AFWL/AD's function is to provide service to its user community and be responsive to their needs. The main users are the Nuclear Testing and Laser Development. However, there are several other users such as MAC, TAC, SAC, and AFSC. Lt Col Ormond (AD) has gone as far as establishing a separate section for production control. This section is the point of contact between AFWL/AD and the user community to assist users in problem determination and correction. These problems range from scheduling to detailed software consultation. This service would be available to AEDC.

2. System performance indicators. After reviewing the system configuration diagrams and touring the installation, we asked several questions about the utilization and performance of the computer system as a whole as well as the subcomponents. The performance indicators for entire system in terms of turnarounds, utilization, and disk storage for Jan 81 through May 81 were very good. More importantly, user satisfaction has improved immensely during this period. The average CPU utilization is approximately 25% for all computers. There are three types of disk storage available to the users. They are:

Component	Capacity (X Bytes)	Usage
MSS	34,650	10%
CRAY	3,600	80%
CDC	1,800	78%

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The CRAY and CDC disk storage usage is high because the MSS is under utilized. The primary reason the MSS is not used is because of the time required to migrate data to/from the CRAY disk storage to MSS. Currently, the data has to be transferred to FEP disk storage, then to the MSS. Later this summer the capability to migrate directly from the CRAY storage to MSS will be implemented. Also, the cost differential between CRAY and CDC disk storage and MSS was not significant. Now, the charge for CRAY and CDC disk storage is twice as much as the MSS thus encouraging the use of the MSS.

3. Billing and Accounting. We had detailed discussions with Capt Aguiar and Mr Burnette about the billing algorithms and project accounting. The initial planning for project accounting was formulated. This technique will provide AEDC management the capability to monitor the computer usage and cost of their projects. More information will be available at a later date when the details are worked out.

4. Memorandum of Agreement (MOA). I had a draft MOA prepared for the visit to AFWL. Lt Col Ormond and Capt Aguiar reviewed it and had very few comments. In general, it was very well received. The draft has been distributed to the APRC members for review.

5. On-site representative. Lt Col Ormond indicated that he has an OAO contract with GSA for four positions of which three are filled. He said he would fill the fourth position for the AEDC support, but the cost would be passed on to the AEDC. Another approach is for CSC to hire someone to fill this position.

6. AFWL User ID. I made arrangements for five user IDs to be used for testing. With these user IDs we can start using the Remote Job Entry (RJE) station with AFWL thru a dial-up communication line.

7. Software. We took nine programs and data to be used as the test runs on the CRAY computer at AFWL. In the short time we were there, three programs were compiled successfully with little or no problems. Arrangements are being made to get the AEDC program analyst involved to execute these programs and compare results. The support we got for the application programmers was excellent. Lt Col Ormond will dedicate three of these people to the AEDC conversion. Also, they have already acquired the current versions of ANSYS and MSC/NASTRAN. The only problem now regarding the software packages is the version of the MSC/NASTRAN that is used by AEDC is run on the CRAY computer at UCS not the front-end processor. The version AFWL acquired runs on the front-end processor. There appears to be only one installation that has MSC/NASTRAN on the CRAY computer and that's UCS. The people at AFWL are investigating the possibility of getting a version of MSC/NASTRAN that will run on the CRAY computer. The Tektronix graphics software is also available at AFWL.

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8. Communications Equipment. Due to the large number of ports (21) required by AEDC an additional communication controller has to be installed at AFWL. Lt Col Ormond has already placed an order to purchase the controller which should be installed in July 81. He said AEDC can pay for the controller and have it in a dedicated mode. This means that there would not be any competition with other users to get to the system. The other alternative is to share cost with other users and compete for the system. I recommend we purchase the controller and use it in a dedicated mode. This cost will be approximately $4000 per month.

9. Priority of AEDC Users. AEDC users will be considered like any other user. That is, there is no distinction between on-site and off-site users. With the job classing scheme at AFWL there are basically three kinds of priority (high, normal, and deferred). With high priority the turnaround is almost immediate, but with a 50% increase in charges. Normal priority is 24 hours turnaround. Finally, deferred priority is when a job is not required in less than 24 hours.

SUMMARY

I thought the trip was very productive. I discussed with Lt Col Ormond the concerns of the AEDC managers as well as the CRAY users and found that He had already taken action to resolve most of the problems. For example:

a. He has reorganized AD into a service oriented organization.

b. He has taken action to decrease his cost of equipment (i.e. convert lease contracts into purchase contracts, and taking advantage of accurals on the equipment).

c. He has reconfigured the system to provide more CPU and disk space to the users

d. He has acquired current software packages.

I have a MOA that is agreeable with AFWL management and being reviewed by the AEDC CRAY users prior to being finalized. One thing that impressed me is how one person can turn an organization around in such a short time. I visited AFWL in October 1980 and was very disappointed in what I saw. I saw an organization that seemed to be concerned with only buying computers and developing new system software. It appeared that there was no concern about the service to the users, and the management of the computers was centered around two or three people. Now, Lt Col Ormond involves all of his department/section managers in the operation of the Center. The entire staff recognizes the need for the equipment to start paying for

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itself and this means getting and keeping more users. The only way to do this is to provide better service and being responsive to the needs of their customers. Due to the enthusiasms and the management of AFWL there is no reason why we should not move our programs from UCS to AFWL. I'm sure there will be some problems but nothing that can't be resolved by AFWL support.

RICHARD A. BECK, Captain, USAF
Deputy Directorate of Data Control
Deputy for Business Management/Comptroller

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AFWL CUSTOMER LISTS

The account registrations at the AFWL change over time as is clearly shown by the two customer lists enclosed, Item numbers 9 and 10. The lists also show that in addition to Government agencies, both DOD and non-DOD, the AFWL also provided resources to the University of New Mexico, the Mission Research and Development Corporation, the New Mexico Environmental Improvement Agency, the New Mexico Air National Guard, and United Technologies.

The customer lists are misleading in that they do not necessarily show the users of the AFWL, only the organizational entity responsible for the account. For example, the customer lists shows the Arnold Engineering and Development Center, but not the actual users which include personnel provided by PAN AM, CSC, CALSPAN, and Sverdrup Technology, Inc. (see Item 11). Such an approach is suitable for operating a commercial type service bureau, but is certainly not suitable for a center which also processes Top Secret data.

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Item #9

UNH -- PHISICS AND ASTRONOMY DEPARTMENT

UNH1	MA1	.5	.62
UNH2	ME1	8.7	1.52
	MS1	.9	1.18
	MT1	1.8	0.00
	MV1	1.7	0.00
UNH2 TOTAL		13.1	2.70
UNH TOTAL		13.6	3.32

US ARMY

USA	AP1	2.0	0.00
USA1	AL1	1.0	.01
USA TOTAL		3.0	.01

D.O.I. -- US GEOLOGICAL SURVEY/ALB

USGS	MG1	15.0	1.77

UNITED TECHNOLOGIES RESEARCH CENTER

UTRC	MJ1	9.0	1.82
	MQ1	18.0	6.84
UTRC TOTAL		27.0	8.66

WATERWAYS EXPERIMENTAL STATION

WES	AC0	216.0	118.12

US ARMY ATMOSPHERIC SCIENCES LAB

WSMR	AD1	0.0	0.00

SBU TOTALS FOR LISTED ORGANIZATIONS	1186.98	436.65

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AFCHD/SA ASST FOR STUDY SUPPORT

OAS	KB1	10.0	.02
			16.88
	SG1	14.2	0.00
		0.0	8.22
	SK1	2.0	1.86
OAS TOTAL		16.2	26.98

AF OFFICE OF SCIENTIFIC RESEARCH

OSR1	DY1	5.9	.12
OSR2	HQ1	.88	0.00
	HR1	3.3	.14
OSR2 TOTAL		4.18	.14
OSR TOTAL		10.08	.26

ROME AIR DEVELOPMENT CENTER

RADC	EC1	12.5	6.51
	ED1		6.22
RADC TOTAL		12.5	12.73

HQSAC/XOPH

SAC1	PX1	8.0	0.00

SPACE DIVISION

SD1	SE1	0.0	.92
		0.0	.03
SD1 TOTAL		0.0	.95
SD3	SD1	1.0	.74
SD4	SV1	2.0	.05
SD TOTAL		3.0	1.74

AFESC/TYNDALL AFB, FL

TYND	EG1	0.0	0.00
	EC1	0.0	0.00
TYND TOTAL		0.0	0.00

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		WELLIS AFB		
AFB	FJ1		0.0	0.00
	HX0		0.0	0.00
AFB TOTAL			0.0	0.00
		NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
NASA	HH0		4.0	.01
		D.O.I. -- NATIONAL PARKS SERVICE		
NPS	HB1		1.5	.23
		NAVAL RESEARCH LAB		
NRL1	NA1		80.0	5.36
	NB1			7.91
	NC1			0.00
NRL1 TOTAL			80.0	13.27
NRL2	NFR		0.0	.23
	NH0		0.0	.01
NRL2 TOTAL			0.0	.24
NRL3	NS0		14.0	3.15
NRL TOTAL			94.0	16.68
		NAVAL SURFACE WEAPONS CENTER		
NSWC	NG0		0.0	3.45
NSW1	NJ1		2.4	.52
NSW TOTAL			2.4	3.97
		NAVAL WEAPONS EVALUATION FACILITY		
NWEF	ND1		4.0	1.10
	NF1		1.5	.75
NWEF TOTAL			5.5	1.85

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AF TEST AND EVALUATION CENTER

FTEC	FA1		0.0	25.84

D.O.I -- US GEOLOGICAL SURVEY, MENLO PARK/PORTLAND, OR

GSMP	MC1		2.0	.87

HOLLOMAN AFB (6585TG/AD)

HAFB	GG1		87.0	.08
				4.01
HAFB	TOTAL		87.0	4.09

D.O.C. -- HURRICANE CENTER/MIAMI, FL

HCC	HT0		45.9	4.81

HARRY DIAMOND LAB

HDL	AG1		0.0	1.56

HEADQUARTERS MAC/SCOTT AFB

HQM	FF1		80.0	12.87

HEADQUARTERS SAC/OFFUTT AFB

HSAC	FH1		12.0	.18

LOS ALAMOS SCIENTIFIC LAB

LASL	HY1		0.0	0.00

LAWRENCE LIVERMORE NAT'L LAB

LLNL	HB1		26.0	12.01

MISSION RESEARCH AND DEVELOPMENT CORPORATION

MRDC	AE1		2.0	1.92

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D.O.I. -- BUREAU OF INDIAN AFFAIRS

BIA	HX1		4.0	.02

BALLISTIC MISSILE OFFICE

BMO1	SJ0		34.0	0.00
	TD1			2.66
				13.08
	TZ1			.62
				0.00
BMO1 TOTAL			34.0	16.36
BMO2	TU1		200.0	43.94
				35.99
				4.30
BMO2 TOTAL			200.0	84.23
BMO3	TC1		67.1	34.89
BMO4	TV1		26.0	1.26
BMO5	TR1		15.0	7.47
BMO6	TT1		0.0	0.00
BMO TOTAL			342.1	144.21

COASTAL ENGINEERING RESEARCH CENTER

CERC	YCQ		20.0	1.30

D.O.E. -- SANDIA NATIONAL LABS

DOES	HD1		0.0	0.00
	HK1		0.0	0.00
	HN1		0.0	0.00
DOES TOTAL			0.0	0.00

HR ENVIRONMENTAL IMPROVEMENT AGENCY

EIA	HP1		0.0	.02

AF TAC AIR CMD, PATRICK AFB FL

FTAC	PG1		3.8	2.75
	FR1		4.4	.12
	GX0		0.0	0.00
FTAC TOTAL			8.2	2.87

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CRAY UTILIZATION
1 Oct 80 to 31 Jul 81

ORG	CRAYSBU REQUESTED	CRAYSBU USED
US ARMY AIR DEFENSE SCHOOL (FT BLISS)		
AADS	25.0	0.00
	0.0	0.00
AADS TOTAL	25.0	0.00
AEROSPACE DEFENCE COMMAND, CO		
ADC	0.0	.02
	0.0	.01
	0.0	0.00
ADC TOTAL	0.0	.03
AIR FORCE ACADEMY		
AFA KC1	0.0	0.00
NB AIR NATIONAL GUARD		
ANG PC1	0.0	0.00
AEROSPACE SYSTEMS DIVISION		
ASD HK1	2.0	3.35
ASD1 HG1	0.0	0.00
ASD2 HB1	18.1	17.21
HH1	15.3	6.52
ASD2 TOTAL	33.4	23.73
ASD3 HA1	1.5	.01
ASD4 HJ1	4.0	0.00
ASD5 HH1	60.0	.55
		.08
ASD5 TOTAL	60.0	.63
ASD TOTAL	100.9	27.72

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AFWL CRAY USERS

Item #10

JUL 80	ADC	AEROSPACE DEFENSE COMMAND, CO
MAY 80	ASD2	AF FLIGHT DYNAMICS LAB
SEP 80	BMO1	MNRTE--KEESEE
JUN 80	BMO2	MNNAP--BANASIAK
MAY 80	BMO3	MNNXX--KALNA
NOV 80	BMO4	MNNAG--THOMAS
APR 81	BMO5	MNNXX--GIBBS
AUG 81	BMO6	MNNBL--BEYER
APR 80	FTAC	AF TACTICAL AIR CMD, PATRICK AFB, FL
APR 80	FTEC	AF TEST AND EVAULATION CENTER
MAY 80	HAFB	6585TG/AD, HOLLOMAN AFB
APR 80	HQM	HEADQUARTERS MAC/SCOTT AFB, IL
MAY 81	HSAC	HEADQUARTERS SAC/OFFUTT AFB
JUN 80	OAS	AFCMD/SA, ASST. FOR STUDY SUPPORT
FEB 81	OSR1	AF OFFICE OF SCIENTIFIC RESEARCH
NOV 80	RADC	ROME AIR DEVELOPMENT CENTER
MAY 81	SD1	SPACE DIVISION/AFCMD--OAS
FEB 81	SD3	YKXL--MAUPIN
MAY 80	NRL1	NAVAL RESEARCH LABORATORY--FRANCE
JAN 81	NRL2	NAVAL RESEARCH LABORATORY--MACCALLUM
JUL 80	NRL3	NAVAL RESEARCH LABORATORY--WHITNEY
MAY 80	NSWC	NAVAL SURFACE WEAPONS CENTER
SEP 80	NWEF	NAVAL WEAPONS EVALUATION FACILITY
MAR 81	MROC	US ARMY MISSLE CMD/REDSTONE, AL
APR 80	CERC	COASTAL ENG. RESEARCH CENTER
MAY 81	HDL	HARRY DIAMOND LAB
JUL 81	AEDC	ARNOLD ENGINEERING AND DEV CENT
APR 80	WES	US ARMY ENGINEERS-WATERWAYS EXPERIEMENT STATION
JUL 81	BIA	DOI--BUREAU OF INDIAN AFFAIRS
JUL 80	USGS	DOI--US GEOLOGICAL SURVEY/ALB
APR 80	GSMP	DOI--USGS MENLO PART/PORTLAND OR
MAR 81	NPS	DOI--NATL PARK SERVICE/NM
APR 80	HCG	DOC--HURRICANE CENTER/MIAMI FL
JAN 81	EIA	NM ENVIRONMENTAL IMPROVEMENT AGENCY
MAY 80	UNM1	UNM--PHYSICS & ASTRONOMY DEPT - PRICE
OCT 80	UNM2	UNM--PHYSICS & ASTRONOMY DEPT - SCULLY
JUN 81	LLNL	LIVERMORE NATL LABS/MRC
SEP 80	UTRC	UNITED TECHNOLOGIES RESEARCH CENTER
SEP 80	DNA	DEFENSE NUCLEAR AGENCY
SEP 80	NPGS	NAVAL POST-GRADUATE SCHOOL
JUL 80	WSMR	WHITE SANDS MISSILE RANGE

---- BALLISTIC MISSILE OFFICE

ATCH 2

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Item #19

Pan Am World Services, Inc.
Mission Support Services Project
Arnold AFS, Tennessee 37389

23 Jul 81

Department of the Air Force
Headquarters Arnold Engineering
Development Center (AFSC)
Arnold Air Force Station, TN 37389

ATTN: Lt Col John J. Love, III
Contracting Officer

THRU: Mgr., Contracts Administration

Subject: CRAY Conversion

Reference: Air Force Letter No. P81-291

Dear Sir:

Air Force Letter No. P81-291 authorized PAN AM World Services, Inc. to proceed with the conversion of the AEDC computer programs on the United Computing Services (UCS) CRAY computer to the Air Force Weapons Laboratory (AFWL) CRAY computer. A meeting was held on 9 July 1981 to define responsibilities and to discuss the conversion plan. The following Air Force and contractor personnel were in attendance:

- Capt. R. A. Beck - AEDC/ACD
- Mr. Elton Thompson - AEDC/DOT
- Mr. J. Stephen Schroeder - AEDC/DOPA
- Mr. J. F. Golden - MSSP
- Dr. Doyle Thompson - AEDC/DOT
- Mr. Jim Jacocks - Calspan
- Mr. Charlie Vaughn - TS/CSC

Capt. Beck re-emphasized the Air Force's direction to conduct this conversion with existing contractor personnel. AEDC contractors are responsible for the conversion of their associated application software. Additionally, PAN AM is responsible for providing the necessary ADPE/communications for the accomplishment of this conversion and subsequent development/production. A conversion milestone is attached.

PAN AM is responsible for the acquisition and installation of ADPE and associated communications. This ADPE/communications capability will evolve from

PAN AM

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the current DATA 100 with dial-up line in CSB to the complete network like that now associated with the UCS CRAY. The following must be acquired and installed:

- 4 - 9600 BAUD Communication Lines and Modems (8)
- 9 - MICOM 800 Series Multiplexors
- Manual Switches for Each Graphic and A/N Terminal Now Connected to UCS
- 3 - DATA 100 Remote Job Entry (RJE) Stations

Switches will be installed on each graphic and A/N terminal now connected to UCS. As communication lines become available, users may manually switch from either a UCS or AFWL CRAY connect; additionally, the RJEs will be installed.

In addition to providing the necessary ADPE and communications, PAN AM is to accomplish the following:

- Provide the Air Force with a status report, which will be combined with status reports provided to PAN AM by Sverdrup Technology, Inc. and Calspan, on the 15th day of each month for the duration of the conversion effort.
- Provide the resources required for conversion of graphics software developed by CSB personnel for AEDC CRAY users.
- Provide for the required user training by scheduling AFWL personnel (TDY) to conduct the training.
- Provide the necessary liaison between AEDC and AFWL for procedures, problem resolution, scheduling and accounting.

If there are any questions, please contact J. M. Sherrer at Ext. 5220 or L. D. Vaughn at Ext. 5400.

Very truly yours,

J. F. Golden
Division Manager
Technical Services

JFG/CDV/deb

Atc

cc: Mgr., Contracts Administration

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Mr. ADDABBO. Thank you very much.
The committee stands in recess until 1:30 p.m.

AFTERNOON SESSION

WEDNESDAY, AUGUST 11, 1982.

CALIFORNIA AIR TANKER OPERATORS ASSOCIATION

WITNESSES

JIM VENABLE, PRESIDENT
NICHOLI KONOVALOFF, EXECUTIVE VICE PRESIDENT

INTRODUCTION

Mr. DICKS [presiding]. The committee will come to order.

Our first witness is Mr. Jim Venable, President of the California Air Tanker Operators Association.

Mr. Venable, we are operating under a ten-minute rule because of the fact we have three hours' worth of witnesses. In order to give everybody equal time, we are going to try to stay on the ten-minute rule as closely as we can. I hope you will understand and appreciate that fact. We have other members coming. There are other subcommittees meeting today.

All your statements will be in the record and available for the members and the staff to review. You may proceed as you wish.

Mr. VENABLE. Mr. Chairman, Mr. Konovaloff is here to read from a statement. Then we can answer any questions you have.

STATEMENT OF MR. KONOVALOFF

Mr. KONOVALOFF. Mr. Chairman, my name is Nicholi Konovaloff. I am the Executive Vice President of the California Air Tanker Operators Association.

I appear before you today to urge this subcommittee to retain provisions of the 1982 Department of Defense Appropriations Act, which restricts the leasing of U.S. aircraft to nonfederal agencies, when such aircraft is available commercially.

AERIAL FIRE-FIGHTING SERVICES

The California Air Tanker Operators Association is a group of independent companies which have been providing aerial fire-fighting services under contract to Federal and state agencies for the past two decades. We operate and maintain aircraft for aerial support of fire-fighting efforts anywhere in the State of California.

Our member companies recently launched a $4 million program to purchase and retrofit newer, safer, more sophisticated aircraft available commercially to improve and enhance our fire-fighting capabilities.

This program is being developed on the basis of current law which assures that surplus Federal aircraft and vehicles will not be made available, on a lease basis, to state and local governments.

That law is embodied in the Defense Appropriation Act, Section 765A, which states:

SECTION 765A

DEFENSE APPROPRIATION ACT, 1982

None of the funds made available by this act shall be used in any way for the leasing to nonfederal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense, when suitable aircraft or vehicles are commercially available in the private sector.

I would like to point out, Mr. Chairman, that the intent of this budget language is consistent with OMB Circular A-76, which provides that the Federal Government use commercial air tankers for aerial fire-fighting.

I urge this subcommittee to retain the existing budget language to insure that local and state governments do not compete with the private sector in leasing aircraft for fire-fighting purposes.

To abandon this section would be to invite states, such as California, to pre-empt the services already provided by independent businessmen that now offer safe, more efficient and more cost effective aerial fire-fighting.

Additionally, inasmuch as these businessmen operate in small communities, any change from a commercial vendor to a state-operated program would result in a significant negative impact on employment in those small communities.

That concludes my statement, Mr. Chairman.

Mr. DICKS. One question. How long has this been a provision of the appropriations bill?

Mr. KONOVALOFF. Last year, Mr. Chairman. It was included in last year's defense appropriations bill.

Mr. DICKS. Was there any history of this occurring before that? Any history of aircraft being made available to nonfederal agencies?

Mr. KONOVALOFF. Yes, sir. That is the reason the language was introduced.

Mr. DICKS. Who was doing that?

Mr. KONOVALOFF. The Department of Defense, Department of the Navy have been leasing aircraft to the State of California that are now operated by the private sector since 1973.

Mr. DICKS. Leasing aircraft to the State of California?

Mr. KONOVALOFF. Who in turn were sub-leasing to commercial vendors. More recently, the state has tried to pre-empt the private sector from operating and maintaining those aircraft.

Mr. DICKS. The ones they lease?

Mr. KONOVALOFF. Yes.

Mr. DICKS. Why?

Mr. KONOVALOFF. There is an effort for the State of California to develop their own air wing for purposes of aerial fire-fighting.

Mr. DICKS. The National Guard?

Mr. KONOVALOFF. No, sir, the Division of Forestry.

Mr. DICKS. Thank you very much.

Mr. McDade?

Mr. MCDADE. No questions at this time.

Mr. DICKS. Mr. Young?

Mr. YOUNG. Thank you, Mr. Chairman. No questions at this time.

Mr. DICKS. Thank you very much. I appreciate your concise statement.

WEDNESDAY, AUGUST 11, 1982.

NUCLEAR WEAPONS FREEZE

WITNESS

ROBERT ELLENBERG, HONESDALE, PA.

Mr. DICKS. The next witness is Robert Ellenberg.

Mr. MCDADE. Mr. Chairman, with your permission I would like to welcome Mr. Ellenberg here. He is a constituent of mine and has been appearing in front of the committee and contacting Members of Congress on issues vital to all of us for some time.

I want to welcome you in front of the committee. Thank you for taking the time to come and testify.

Mr. DICKS. Please proceed.

STATEMENT OF MR. ELLENBERG

Mr. ELLENBERG. Thank you, Mr. Chairman, for allowing me the opportunity to present this testimony to the subcommittee. I feel extremely blessed that this opportunity exists for citizens of our country to have the right and privilege to speak before a committee with such influence in our nation and in the world.

I am deeply concerned about the state of affairs in the world today regarding nuclear weapons, and especially the new generation of weapons for which this subcommittee is considering appropriating money.

I feel that although my voice is coming out of me, it is representing the many millions of people throughout the world that have been voicing and demonstrating their concern throughout the United States and other countries.

The multitudes of humans that have been gathering together, the city councils, the village meetings, the county commissioners, the States, the Senators and the Representatives that are supporting the nuclear weapons freeze of Kennedy and Hatfield give a clear indication that human beings are not going to be passively led to self-destruction by the few. The collective will of humanity is gathering momentum and reaching out together for life, while the world leaders are bogged down in the games of statesmanship, egos and greed.

I consider it almost a sin that so much time and energy must go into studying this issue. It is something, though, that I personally could not let slide by and take for granted that everything will be all right. Everything is not all right.

NUCLEAR ARMS RACE

I have not become an authority on nuclear weapons during the past year of study, but I am intelligent enough to know that the amount of nuclear weapons currently possessed by the United

States is adequate to completely destroy any nation on earth, and possibly the entire planet.

I have also gained an understanding of the dilemma and paranoia many people in the United States feel, that being that although Russia has at least as much nuclear weapons as we do, the United States must have more strategic and tactical nuclear weapons to protect ourselves from a first strike from the Soviets.

The nuclear arms race has been going on for the past four decades and has seen the United States superior in all areas of nuclear weaponry during most of this period. But the Russians were never too far behind. When we slowed down our production during the seventies, Russia achieved a parity with us.

The problem I am having is understanding how spending billions upon billions of dollars on our new counterforce weaponry will ever get us substantially ahead of Russia to feel secure when they will be doing the same thing we are.

I personally believe it is a sham, fueled by greed, that is being perpetrated on the United States citizenry by telling us that we are behind the Russians in the nuclear arms race and that by spending these billions of dollars we will be able to take the lead again and negotiate with them from a position of strength and then begin to "freeze" nuclear weapons and begin dismantling them. It makes absolutely no sense to me or to many others.

You gentlemen are highly educated and learned. I am truly bewildered and at times, to tell you the truth, angry that you can even consider allowing our country to continue on this obvious path towards a nuclear Armageddon that will surely occur, either by design or by accident.

From what I have studied, the potential for an accident to occur will be significantly increased if this subcommittee appropriates money for the new generation of nuclear weapons the Pentagon believes we need to be secure.

NUCLEAR ACCIDENTS

Regarding nuclear accidents, I would like to present some information from Senator Mark Hatfield's June 1981 paper, "The Age of Anxiety".

According to his information, there had been 147 computer malfunctions in the United States during a 20-month period where the readings on our machines indicated a possible nuclear attack. "Four of these incidents were severe enough to result in orders to strategic forces to increase their state of alert."

He went on to state that the Soviets have "computers inferior to ours." So it is possible to easily imagine the Soviets making a similar mistake. Because of the new generation of missiles we are planning on producing, the Russians would only have six to ten minutes to decide whether to "use them or lose them."

We have pushed the nuclear weapons programs beyond the point of human comprehension. Computers will be determining whether we are under attack or possibly misreading a flock of birds as an attack.

Nuclear physicists and engineers have had their day. Somehow this madness has got to stop so our children and grandchildren

have their day also. Let us allow them to have a day in bright sunshine and not in nuclear rubble and radioactive fallout.

You gentlemen are part of the determining factor in the destiny of humanity. I trust you make those decisions from your heart and from the contemplative recesses of your mind and conscience.

MISSILE PROGRAMS

Can the MX missile program, the Trident II submarine-launched ballistic missile, the cruise missiles and other nuclear programs that you are deciding to appropriate money for really bring lasting or even transitory peace to the world? Don't we have enough Minuteman Is, IIs and IIIs, ICBMs and Titans, enough Poseidon submarines, enough long-range bombers to protect us and feel secure from a possible attack by Russia?

For our democratic system to operate effectively, those that have been elected by others and are their representatives must be responsive to those others. It is obvious from all recent polls that the collective voice of the people is speaking loud and clear on what they want done with nuclear weapons.

The United States is in a unique position in being able to truly be a world peacemaker instead of being the hypocrite that we must appear to be to many countries in the world. We talk peace but are probably the largest producer of weapons in the world, supplying so much of the world with weapons that we later tell them they are misusing. It is like giving a little three year old child a match and telling him not to strike it.

We talk of our defense budget, which in many respects is just a weapons business that sells a large percent of the weapons we produce to other countries so that they may fight their wars. We send our peace emissaries around the world almost daily in futile attempts to bring peace to embattled nations.

How can these other countries take us seriously when we sell them arms to war with and when such a large part of our national economy is built on war materials? Is this the right business of the peacemaker? We all know it is now.

Since the United States was the first to build and use atomic weapons, it should be our place to bring an end to this ungodly path the human race has been following. If we are truly to be the peacemaking nation that most Americans believe us to be, we have to take drastic steps to make our role a reality.

These drastic steps include but are not limited to not appropriating monies for the Trident II missiles with their 2,000 or 3,000 warheads, which appear to be only for a first strike capability against the Soviet's in-silo ICBMs; to not appropriate monies for the MX missiles with their 2,000 first strike warheads; to not appropriate monies for other nuclear weapons so that we can show the world we are taking the first steps necessary to begin stopping the nuclear madness that has obsessed the Pentagon and Congress as the only way to make our nation secure. It does not make us secure.

Americans from all walks of life are speaking out loudly that they do not feel protected or secure with the nuclear weapons arsenals we maintain and the ones we are planning on developing.

As I mentioned previously, the greatest threat we may have with the new generation of missiles is from an accident. How secure can any of us feel with such hair-trigger firing of these weapons?

To contemplate, as some nuclear strategists do, the acceptable loss of tens of millions of American lives in a nuclear exchange is some type of human mind aberration of our 20th century that most American don't find acceptable.

OTHER WAYS TO MAINTAIN PEACE

We all know that there are more sane ways of maintaining the balance of peace in the world without each country holding the other hostage with nuclear missiles pointed at their citizens.

I have an uncomfortable, uneasy feeling that greed and profits are the strongest factors preventing our country from taking the lead in bringing a halt to nuclear weapons spending, and in fact to all weapons spending.

I realize that the contracts are out to many corporations that have helped put Congressmen into offices. It is a difficult position not to pay back favors or to vote to cut monies from one's home district or State, but the priority of right over wrong must prevail if the human race is to continue.

Humanity may be at the crossroads of a very special time in our evolution. We appear to be on the verge of totally destroying the humanity and our works and the rest of life on this planet or reversing the direction and allowing ourselves to attain to the place that is more rightly our destiny.

All humanity can be fed, housed, clothed and educated in a way that allows them to lead a life of spiritual and physical wellness. The converting of our armament factories into industries that further this wellness, not destroy it, should be the greatest priority of our time.

The centuries and centuries of warfare have brought us to this juncture and quite possibly, if one believes, that this test is coming from our one creator, God, to see how we do under pressure.

It is a desperate but not hopeless mess in which we find ourselves. While many people are skeptical and cynical of what goes on in the halls of Congress, there are many more that are holding true to the belief in the inner good-nature of humanity.

We each have to look closely and deeply within our inner beings and seek out what we know to be the truth. There is only one truth, and it is within each of us. We all know that it is not nuclear weapons or other weapons that destroy life. It is knowing that we are all part of one. We are all made up of that same one spirit and soul inside us.

We cannot go about doing what we have been doing. You, gentlemen, it lies on your shoulders that we change the course of events of the world. That is all we can do. I don't understand how we got into the mess and how you gentlemen perpetuate it, how at the House of Representatives the other day men couldn't make the decision what to do. A man from Pennsylvania said he pressed the wrong button. It is on your shoulders, gentlemen.

Mr. DICKS. Mr. McDade?

Mr. MCDADE. Bob, thank you for coming down.

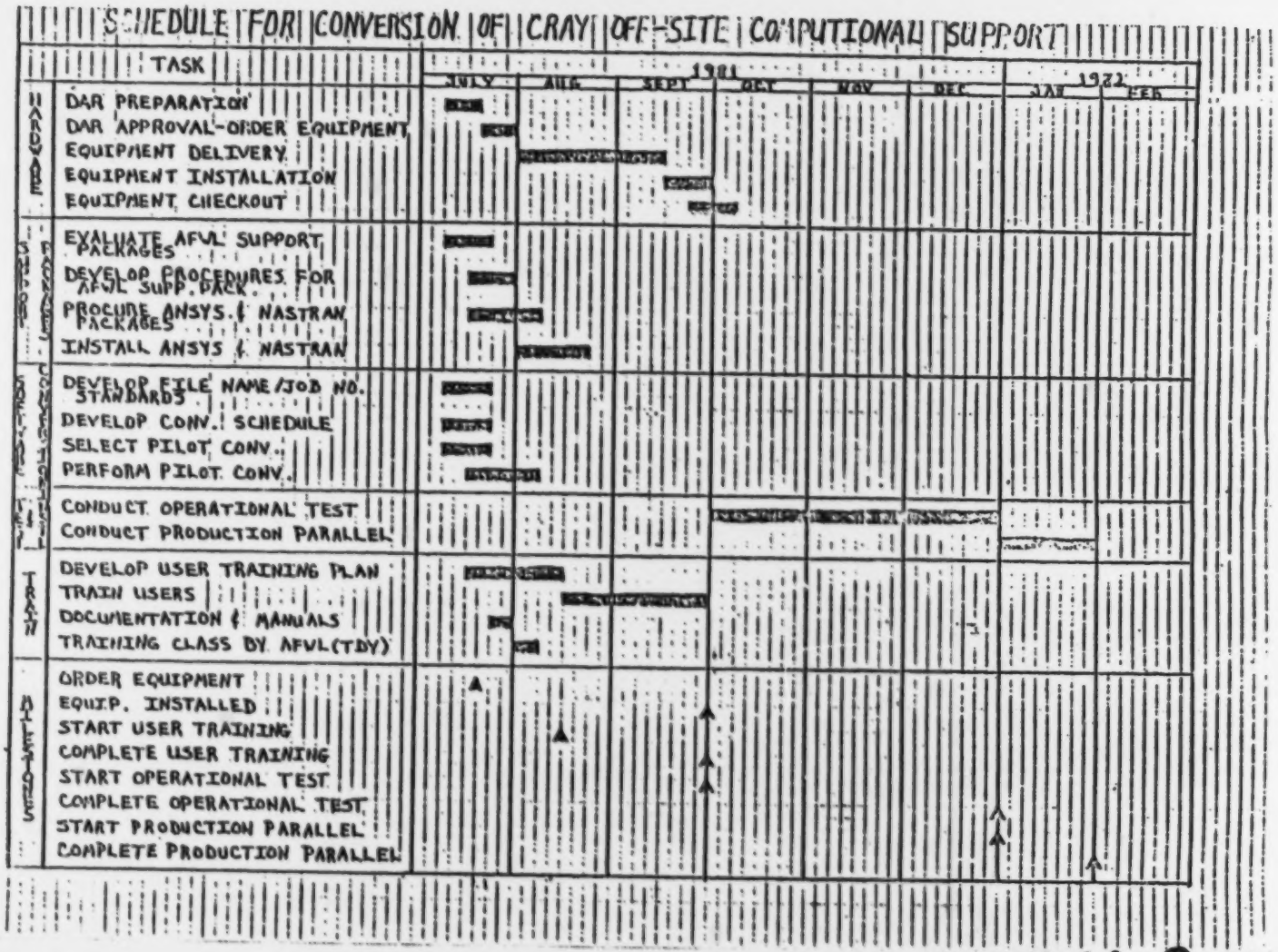
Mr. ELLENBERG. I appreciate being here. I hope I have some bearing on your lives. I hope God has some bearing on your lives.

Mr. MCDADE. We all hope so. We need all the prayers we can get.

Mr. ELLENBERG. You can call me if you ever need any help.

Mr. DICKS. We always need help.

SCHEDULE FOR CONVERSION OF CRAY OFF-SITE COMPUTIONAL SUPPORT



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WEDNESDAY, AUGUST 11, 1982.

NUCLEAR WEAPONS FREEZE

WITNESS

EARL WATERMAN, FIRST CONGREGATIONAL CHURCH, AMHERST, MASS.

Mr. DICKS. Mr. Earl Waterman, First Congregational Church, Amherst, Massachusetts.

STATEMENT OF MR. WATERMAN

Mr. WATERMAN. Thank you, Mr. Chairman.

Representative Dicks, others in attendance, I feel honored to speak before you. I am Earl Waterman of Shutesbury, Massachusetts, a special needs teacher by profession, and I am involved in local politics. I chair the Shutesbury School Committee and the Erving School Union No. 28 Committee that includes Erving, Wendall, New Salem, Leverett and Shutesbury, Massachusetts.

I consider it a privilege to alter my schedule, take a 2:15 a.m. Amtrak train and sit before you very nervously to say the least. I speak as a representative of the First Congregational Church of Amherst, United Church of Christ in Amherst, Massachusetts.

BILATERAL NUCLEAR WEAPONS FREEZE

Budget decisions involve moral issues. Therefore, our Christian faith sparks our concern for the choices made by our legislators. Following arguments and open debate by both sides, our church, in a congregational vote in February 1982, passed a resolution supporting a bilateral nuclear weapons freeze by an 88 to 2 vote. Our Hampshire County Association of the UCC recently supported a similar statement by a 50 to 1 margin.

We commend our Representative, Silvio O. Conte of Pittsfield, for sponsoring the joint congressional resolution favoring a mutual nuclear weapons freeze. I was quite impressed with the vote on that.

We support all measures to negotiate this joint reduction in nuclear weapon research and stockpiles. As a signal to the world, we urge a reduction in spending on nuclear weapons, spending further cuts which would result from negotiations.

We find it inconsistent that we, as a nation, cannot openly be seen as favoring peace by a vote favoring a nuclear freeze which would establish peace as our priority when we do want peace, but must instead be encouraged to adopt an ever more threatening stance until everyone else has made the first step toward peace.

Our support for this position is derived from three points: first, excessive military spending ruins our economy; second, current

military spending is at the expense of socially beneficial programs; and third, current military policy is morally insane.

MILITARY SPENDING AND THE ECONOMY

The effect of the military budget on the economy is evident. Inflation is directly correlated with the rate of military spending. Countries with high military budgets also get higher rates of inflation.

Military demands for raw materials, fuel and other resources increase prices in the private sector. The more excessive the military budget, the more inflationary the effect on the economy.

Military spending is the least efficient means of employing people. There are many people needing employment in our country today. Our military weapons programming provides fewer jobs when contrasted with the same money spent on alternative energy, conservation, job training or construction projects, which also provides positive benefits for people and the country. The Army may train you to drive a tank but for skills needed in the private sector, the benefit is minimal.

Our military build-up is at the expense of social welfare. Our national resources are limited. Priority choices must encourage our multi-cultural society to work and live together.

The quality of life for all people is diminished when the programs to help those least able to help themselves are scrapped or cut back. When programs such as legal services for the poor are eliminated, the incentive to support the system is reduced. I think this is a key point. Our priorities say who we are.

The same amount of money used to develop M-1 tanks, the Trident II or MX missiles could give us better mass transit, help develop alternative energy sources or help meet social needs. This could do much to reduce our reliance on foreign oil and cut the need for atomic power plants. This would benefit all of us in the years to come.

HUMAN RIGHTS

Most Americans take human rights for granted. The rights to move freely, to live without fear, to support openly what we believe in or to criticize what bothers us are inalienable. To feel the impact of a society without those values is difficult. Yet, to those living in El Salvador, Argentina, South Africa or Iran, to name a few, writing political dissent probably could mean death.

The course of human destiny is an endless flowing river. Like a river, it may meander or rage out of control. The river may be a source of danger or provide refreshment to the weary, but the ultimate direction is always forward. National goals to live as free people are inevitable.

The United States can try to dam the river with its military might or divert the river with the CIA destabilizing legitimate governments or we can support that destiny and become the kind of leader no gun could destroy.

Too often our military and economic policy supports repressive dictatorships because they are pro-American or anti-communist.

Political expediency has given us such repressive allies as South Korea, Chile and El Salvador, to name a few.

Our failure to expect support for basic human rights has led to foreign policy debacles in Cuba, Iran, Vietnam and Nicaragua. Too frequently we trade our moral integrity for oil, bananas or bank profits.

Jesus spoke about putting away anxiety. We need the courage to stand for what we believe in as a free people. Our military is a poor treasurer that will become rusty and moth-eaten. Our destiny lies in support of human rights and values.

Mr. DICKS. We appreciate that statement. It was a good one, comprehensive.

I have no questions.

Mr. McDade?

Mr. MCDADE. I have no questions.

Thank you for taking time to testify.

Mr. DICKS. Mr. Young?

Mr. YOUNG. No questions, Mr. Chairman. Thank you.

Mr. DICKS. Mr. Hefner?

Mr. HEFNER. No questions, Mr. Chairman.

Mr. DICKS. Thank you for a good statement.

WEDNESDAY, AUGUST 11, 1982.

CHEMICAL AND BIOLOGICAL WARFARE

WITNESS

ROBERT J. RUTMAN, CHAIRPERSON, SCIENTISTS COMMITTEE, PROFESSOR OF MOLECULAR BIOLOGY AND BIOCHEMISTRY, UNIVERSITY OF PENNSYLVANIA

Mr. DICKS. Robert J. Rutman, Scientists Committee on Chemical and Biological Warfare.

STATEMENT OF MR. RUTMAN

Mr. RUTMAN. Thank you, Mr. Chairman.

Honorable members of the Appropriations Subcommittee, may I express my gratitude for the opportunity to discuss this issue. I am Robert Rutman, a professor of molecular biology and chemistry at the University of Pennsylvania.

I am chairperson of the Scientists Committee on Chemical and Biological Warfare, a watchdog committee concerned with the status of those two aspects of warfare.

You have my testimony, but I will ad lib at occasional points as I will at the start before proceeding to the main bulk of the testimony.

I am sure the members of the committee are aware of the nature of these lethal chemical warfare weapons about which this testimony is concerned known as war gases, nerve gases, but it may be useful to refresh some points.

These agents are really one of the most inhuman of the agents designed for use in warfare. They are designed to inflict damage on human beings. They deaden nerve endings, incapacitate by paralysis, paralyzing the muscles, and kill by suffocation.

Mr. DICKS. That is both chemical and biological?

BINARY NERVE GAS

Mr. RUTMAN. No. I am solely concerned here with nerve gases. I am solely concerned with the appropriation—not solely in the sense of having no position. I am focusing on the binary nerve gas proposal to activate the production of these weapons.

Mr. DICKS. Okay.

Mr. RUTMAN. The scenario that would follow an attack on a city by a nerve gas is almost the same as that following a megaton nitrogen bomb attack. Almost everything would be dead but there would be one difference. The living would be incapacitated, unable to get assistance for themselves.

The Scientists Committee on Chemical and Biological Warfare opposes the appropriation of funds for the production of binary nerve gas chemicals or for any other activation of chemical or biological warfare. Chemical warfare, up to the end of World War II, had been viewed and continues to be viewed by most countries and most of mankind as a barbaric vestige of past wars and not as a tactically or strategically useful implement of warfare.

I might add here, as a captain during World War II, we were aware this was a general view of the situation even at that time and there was very little likelihood we would ever be called upon to use these weapons. Our only hope was that nobody else would.

LIKE-FOR-LIKE DETERRENCE

This attitude underlies the no-first-use ban of the Geneva Protocol of 1925 and the decision to seek a negotiated ban on all; chemical warfare to join the ban on biological warfare. DOD is now in the process of trying to rehabilitate chemical warfare and the Chemical Corps by means of a binary nerve gas strategy, following the virtual elimination of chemical warfare in the mid-seventies.

The Scientist Committee contends that the basic strategic doctrine of "like-for-like" deterrence by which DOD justifies binary nerve gas production is badly flawed. We also believe that the tactical advantages, if any, of binaries have been grossly exaggerated and misrepresented and that these weapons are in reality a colossal and catastrophic threat to vast masses of unprotected civilians, rather than a tactical battlefield weapon. The production of these weapons will add measurably to the arms race, further reducing United States security.

DOD contends that binary nerve gas weaponry is needed to restore credibility to our "like-for-like" deterrent; since the binaries are less efficient and less effective than the preexisting single-agent weapons, which already account for 20,000 tons, or about 5,000 lethal doses, per every living person on the planet, it is not clear why our present stockpile is not credible but a binary one would be.

In fact, neither form of nerve gas offers any serious deterrence; if used for tactical purposes, either agent will provoke an escalating response intended to overcome protective action; if used to strategic advantage, an escalation to tactical nuclear weapons will necessarily be invited.

In neither case is deterrence apparent. In fact, the very existence of retaliatory capabilities makes massive strategic first use the only credible course in a major war, in order to justify the effort of army-wide self-protective action and block the expected escalating response. Thus, under conditions where high degrees of military personnel protection are possible and where neutralization of deterrence by escalation to a more effective response is also possible, "like-for-like" deterrence is a Chemical Corps invention.

NO TACTICAL ADVANTAGE

The binary form of nerve gases confer no obvious tactical advantages over existing armaments; by their nature they are less versatile with respect to target and form of delivery and their dispersion is also less effective. Pound for pound, they deliver less agent and produce less anti-personnel shrapnel.

Unlike single agents, they give warning by irritant action or smell, alerting enemy personnel. Their actual performance is unknown since they have not been and should not be field tested. Because they are more complicated weapons and involve a number of reactive chemicals, there is a greater chance for failure or for unexpected accidents, such as fire.

Furthermore, the disposition to see these binary agents as forward position armaments also increases the chance for misuse or for calculated, unauthorized use because they reverse the very stringent control restrictions now applied by DOD to single-agent nerve gas armaments. These facts lead to the key recognition that binaries are proposed not because they are better weapons but because they can be used to depoliticize the transport and storage of nerve gas in order to make the weapons more acceptable to the United States public and our European allies alike.

Though lacking tactical advantage, nerve gases in any form are a formidably catastrophic weapon against unprotected civilian populations. A single raid on New York City with the dropping of 10 appropriate 1000-pound nerve gas bombs would deliver about 5 billion lethal doses; if only one doze out of a 1000 reached a living target, 5 million New Yorkers would be dead or paralyzed—as would be everyone in the District of Columbia. I, of course, mean to say could be in that situation. No one can predict the outcome of these things.

This awesome and catastrophic effect on a civilian population is to be contrasted with the dubious value against fully protected soldiers. This suggests that the existence of stockpiles of binary nerve gas weapons would tend to invite their use against unprotected targets such as villages, depots, guerrilla concentrations, third world forces, et cetera, under conditions of force inadequacy.

INTERNATIONAL CLIMATE

The international climate, attitudes and agreements have served to prevent the use of lethal chemical weapons on any large scale since World War II. Major moves by the United States to produce binary nerve gases could breach or seriously weaken this position; the necessity or temptation for others to follow would increase. Unlike atomic weapons or single-agent nerve gases, the production of binary chemicals and their loading into weapons is relatively easy and cheap, and open to all nations, dissident groups, or terrorist bands.

The United States would then be responsible for leading the world to a potentially vast new proliferation of a most lethal form of armament. Ths would greatly reduce our own security, weaken our alliance and seriously handicap, if not cripple, negotiations to eliminate chemical weapons entirely.

The Scientists Committee is unaware of any advantages for the United States security in the resumption of active chemical warfare programs of any kind, and none whatsoever in the binary lethal gas approach. Recognizing that during the mid-seventies we were on the way to securing chemical disarmament and that the Chemical Corps was close to being disbanded, we cannot free ourselves of the suspicion that the binary nerve gas programs are meant to resuscitate the Chemical Corps rather than protect the United States.

We would feel far more confident as to the corps real concern for the United States security if they were nearly as forward in the development of better means of protection.

The main question before the committee is whether binary nerve gases are a necessary and positive, necessary part of our national arsenal. Are they necessary for our security, and will they help deter chemical warfare?

Since 1974, the Congress has answered this in the negative. Nothing new has since been added. The answer would still appear to be no.

In light of all this, we strongly urge this committee of the United States House of Representatives to reject chemical weapon production in the form of binary nerve gases. Instead, we urge all members of this committee, as individual legislators, to support continued, serious negotiations to ban existing lethal chemical weapons, end their production and development and destroy existing stockpiles.

[The statement of Mr. Rutman follows:]

SCIENTIST'S COMMITTEE
on
CHEMICAL AND BIOLOGICAL WARFARE

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SUSAN ZOLLA
NEW YORK UNIV. MED. SCHOOL

*INSTITUTIONS LISTED FOR
PURPOSE OF IDENTIFICATION

August 10, 1982

The attached testimony opposing an appropriation for the production of binary nerve gases is being submitted on behalf of the Scientists Committee on Chemical and Biological Warfare.

Respectfully yours,

Robert J. Putman
Chairperson, Scientists Committee
Professor of Molecular Biology and
Biochemistry
University of Pennsylvania

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SCIENTIST'S COMMITTEE
on
CHEMICAL AND BIOLOGICAL WARFARE

The Scientists Committee on Chemical and Biological Warfare opposes the appropriation of funds for the production of binary nerve gas chemicals or for any other activation of chemical or biological warfare. Chemical warfare, up to the end of World War II, had been viewed and continues to be viewed by most countries and most of mankind as a barbaric vestige of past wars and not as a tactically or strategically useful implement of warfare. This attitude underlies the no-first use ban of the Geneva Protocal of 1925 and the decision to seek a negotiated ban on all chemical warfare to join the ban on biological warfare. DOD is now in the process of trying to rehabilitate chemical warfare and the Chemical Corps by means of a binary nerve gas strategy, following the virtual elimination of chemical warfare in the mid-70's.

The Scientist Committee contends that the basic strategic doctrine of "like-for-like" deterrence by which DOD justifies binary nerve gas production is badly flawed. We also believe that the tactical advantages, if any, of binaries have been grossly exaggerated and misrepresented and that these weapons are in reality, a colossal and catastrophic threat to vast masses of unprotected civilians. The production of these weapons will add measurably to the arms race further reducing United States security.

DOD contends that binary nerve gas weaponry is needed to restore credibility to our "like-for-like" deterrent; since the binaries are less efficient and less effective than the pre-existing single agent weapons, which already account for 20,000 tons or about 5000 lethal doses per every living person, it is not clear why our present stock pile is not credible but a binary one would be. In fact, neither form of nerve gas offers any serious deterrence; if used for tactical purposes, either agent will provoke an escalating response intended to overcome protective action; if used to strategic advantage, an escalation to tactical nuclear

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The binary form of nerve gases confer no obvious tactical advantages over existing armaments; by their nature they are less versatile with respect to target and form of delivery and their dispersion is also less effective. Pound for pound, they deliver less agent and less anti-personnel shrapnel. Unlike single agents they give warning by irritant action or smell, alerting enemy personnel. Their actual performance is unknown since they have not been and should not be field tested. Because they are more complicated weapons and involve a number of reactive chemicals there is greater chance for failure or for unexpected accidents, such as fire. Furthermore, the disposition to see these binary agents as forward position armaments also increases the chance for mis-use or for calculated, unauthorized use because they reverse the stringent control restrictions now applied by DOD to single agent nerve gas armaments. These facts lead to the key recognition that binaries are proposed not because they are better weapons but because they can be used to depoliticize the transport and storage of nerve gas in order to make the weapons more acceptable to the United States public and our European allies.

Though lacking tactical advantage, nerve gases, in any form, are a formidably catastrophic weapon against unprotected civilian populations. A single raid on New York City with the dropping of 10 appropriate 1000 lb nerve gas bombs would deliver

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about 5 billion lethal doses; if only 1 dose out of a 1000 reached a living target, 5,000,000 New Yorkers would be dead or paralyzed, (as would be everyone in D.C.). This awesome and catastrophic effect on a civilian population is to be contrasted with the dubious value against fully protected soldiers. This suggests that the existence of stockpiles of binary nerve gas weapons would tend to invite their use against unprotected targets such as villages, depots, guerrilla concentrations, third world forces, etc., under conditions of force inadequacy.

The International climate, attitudes and agreements have served to prevent the use of lethal chemical weapons on any large scale since World War II. Major moves by the United States to produce binary nerve gases could breach or seriously weaken this position; the necessity or temptation for others to follow would increase, unlike atomic weapons or single agent nerve gases, the production of binary chemicals and their loading into weapons, is relatively easy and cheap and open to all nations, dissident groups or terrorist bands. The United States would then be responsible for leading the world to a potentially vast new proliferation of a most lethal form of armament. This would greatly reduce our own security, weaken our alliance and seriously handicap, if not cripple, negotiations to eliminate chemical weapons entirely.

The Scientists Committee is unaware of any advantages for the United States security in the resumption of active chemical warfare programs of any kind, and none whatsoever in the binary lethal gas approach. Recognizing that during the mid-70's we were on the way to securing chemical disarmament and that the Chemical Corps was close to being disbanded, we cannot free ourselves of the suspicion that the binary nerve gases are meant to resuscitate the Chemical Corps rather than protect the United States. We would feel far more confident as to the Corps real concern

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SCIENTIST'S COMMITTEE
on
CHEMICAL AND BIOLOGICAL WARFARE

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We strongly urge this Committee of the United States House of Representatives to reject chemical weapon production in the form of binary nerve gases. Instead we urge all members of this Committee, as individual legistators, to support continued, serious negotiations to ban existing lethal chemical weapons, end their production and development and destroy existing stockpiles.

Submitted by,

Robert J. Rutman
Chairperson, Scientist Committee
on Chemical and Biological Warfare
Professor of Biochemistry
University of Pennsylvania

RJR/dsb

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SCIENTIST'S COMMITTEE
on
CHEMICAL AND BIOLOGICAL WARFARE

Chemical warfare weapons have generally been regarded by military experts, as tactically unreliable and strategically irrelevant. In addition much of civilized leadership has rejected these weapons since their first use as hideous and inhuman, and called for a total ban on chemical warfare, just as biological warfare has been banned. The only justifications for continued interest in chemical weapons is their application in anti-guerrila warfare or their genocidical use against unprotected civilian population.

This Congress can only take an inhuman and backward step if it approves, in any way, the production of lethal chemical weapons, in particular, the nerve gases. This is true for a number of reasons:

1) The so-called binary agents are untested and by their nature are less predictable and more restricted in use than their single agent counterparts, of which we possess a more than adequate supply.
2) The major armies of the developed world are protected against these agents.
3) The nerve gases may also have, as yet, undefined mutagenic, teratogenic and carcinogenic effects on friend and foe alike, long range effects potentially as obnoxious as their immediate toxic effects.
4) Any move towards production by the United States of binary nerve gases can only add a new spiral to the armaments race.

The only answer to our concerns about chemical warfare is to move quickly to ban this form of armament. There is little doubt that the United States Army, except for the nearly moribund Chemical Corps, will also welcome this restriction of the horror of warfare, and the Congress can facilitate the motion towards an agreement to ban by refusing to place its stamp of approval on chemical warfare.

Letter sent to members of Congress, 7/82.

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A REPORT OF THE COMMITTEE
ON CHEMISTRY AND PUBLIC AFFAIRS

BINARY WEAPONS AND THE PROBLEM OF CHEMICAL DISARMAMENT

A symposium sponsored by the American Chemical Society's Committee on Chemistry and Public Affairs and held August 31, 1976, in San Francisco, California, during the 172nd National Meeting of the Society.

AMERICAN CHEMICAL SOCIETY

1155 16th Street, N.W.
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PREFACE

The American Chemical Society is a nonprofit scientific and educational Society with a membership of approximately 113,000 chemists and chemical engineers. Founded in 1876, the Society has become the world's largest individual membership organization devoted to a single science.

The Society's Committee on Chemistry and Public Affairs (CCPA) was established in 1965 to provide a coordinating mechanism whereby the Society could more effectively contribute to the solution of public policy problems related to chemistry. To this end, the Committee initiated the sponsorship of public affairs symposia at ACS National Meetings as part of a continuing program to provide a forum for dialogues between ACS members and public figures on issues in which chemistry has a bearing on national policies.

As part of this program, the Committee sponsored the symposium on "Binary Weapons and the Problem of Chemical Disarmament" which was held at the 172nd ACS National Meeting in San Francisco, California, on August 31, 1976. The symposium was organized and presided over by Dr. Leo Schubert, Chairman of the CCPA Subcommittee on Public Affairs Symposia at ACS National Meetings. The Committee is also indebted to Dr. J. B. Neilands, Professor of Biochemistry, University of California, Berkeley, for his help in organizing the symposium and for presiding over the afternoon session. The full Committee on Chemistry and Public Affairs is chaired by Dr. Charles G. Overberger.

Compiled and Edited
by the
Department of Chemistry and Public Affairs
December 1977

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A Report of the Committee on Chemistry and Public Affairs:

BINARY WEAPONS AND THE PROBLEM OF CHEMICAL DISARMAMENT

INTRODUCTORY REMARKS

Dr. Charles G. Overberger
Chairman
Committee on
Chemistry and Public Affairs

It is my pleasure to welcome you to this symposium, and I want to thank Professor Schubert and his subcommittee for helping to organize it. Thanks should also be made to Professor Joseph Neilands of the Biochemistry Department at Berkeley, who has been of great help to the Committee in putting together a program for this symposium. The Committee on Chemistry and Public Affairs is responsible for a number of on-going projects and functions within the Society, and its Subcommittee on Public Affairs Symposia at ACS National Meetings is in turn responsible for an important part of the Committee's work. For over eleven years the Committee has been sponsoring and cosponsoring symposia that have some general relationship to chemistry and public affairs.

This symposium, dealing with binary weapons, clearly comes within the purview of chemistry and public affairs. At the present time there is an on-going debate within the government regarding a proposed modernization of this country's chemical weapons systems. Binary weapons are considered by some to be the answer to the problem, since they are safer to transport than older types of chemical weaponry.

However, in 1975 the United States, somewhat belatedly, acceded to the Geneva Protocol of 1925, which prohibits the use in war of lethal chemical and biological weapons. Therefore, critics of the proposed conversion to binary weapons consider the development of such weapons to be contrary to the spirit, if not the letter, of the Protocol to which this nation has acceded.

This symposium is being conducted so that the pros and cons of the issue can be aired in a public forum. The Committee expects the symposium to be a timely and interesting one, and it is hoped that our audience will agree. I would now like to turn the meeting over to Dr. Leo Schubert, Chairman of the CCPA Subcommittee on Public Affairs Symposia. Thank you.

Dr. Leo Schubert
Chairman, CCPA
Subcommittee on Public Affairs Symposia at ACS National Meetings

Thank you, Dr. Overberger. We publish many of these symposia so that they can be in the written record, and also so that the public at large, and chemists in particular, can benefit from them. We cover a broad range of topics in the symposia. We have discussed controversial issues in the past, and we certainly do not avoid them. What we try to do in any issue that is chemically oriented, and which has obvious implications beyond chemical research and development, is to present both sides of the problem. We have therefore taken the position that all sides should be represented in these symposia to insure that a balanced program is presented. Indeed, that has been the intent of the Subcommittee for this particular symposium.

There will be ample time for discussion from the floor, and we hope that you will participate. I am confident that it will be a stimulating and interesting symposium.

Binary Chemical Weapons: Details, Difficulties, and Dangers

Dr. Robert J. Rutman
University of Pennsylvania

Acknowledgement

I wish to express particular appreciation to Dr. Julian Robinson of the ISIO, University of Sussex, U.K., who is the outstanding authority in this field, and from whose work I have borrowed heavily. In addition, the publications of the Stockholm International Peace Research Institute have been of inestimable value and thanks are due to Mr. Frank Barnaby, President, SIPRI. Much of the data presented in this paper has been culled from publications from these two sources, for which particular thanks is expressed.

* * *

The binary weapons presently planned by the Department of Defense are neither new nor novel, but are actually somewhat less efficient versions of the well-known and highly lethal nerve gases, GB, discovered by the Germans before World War II, and VX, discovered by the British after World War II, both of which have been stockpiled by the U.S. and the U.S.S.R. What is novel is that binaries endow nerve gases with a new set of operational properties which overcome the drawbacks of these unstable and abhorrent agents (1) making it possible to directly incorporate chemical weapons into most forms of munitions and to deploy them in the future in forward positions as ordinary munitions under the control of the battlefield commanders (2). Since protection against and antidotes for nerve gases are available and are being continuously improved, binary nerve gases present field commanders for the first time with a set of seemingly reliable and acceptable chemical warfare options. This provides the opportunity to remove chemical weapons from the "special" category not only as regards the attitude towards their use but also regarding the control and command authority govern-

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ing this use. And from current indications, there can be little doubt that ending the "special" status of chemical warfare, i.e., normalizing its place in armaments, is the uppermost consideration in the mind of the Chemical Corps. This is quite understandable, albeit highly regrettable, in view of recent moves in Washington to disband the Chemical Corps and transfer most of its responsibilities and functions to other commands (3). The grave implications of the new situation are sufficiently far-reaching and sufficiently fundamental as to seriously challenge chemical warfare control efforts and arouse concern in other arenas of disarmament negotiations. This becomes clear when one relates the properties of binaries to the plans of the military and to the problems of arms control at this juncture in history.

What is this particular historical juncture? After many centuries of effort mankind is on the verge of agreeing to ban all forms of warfare other than conventional and nuclear* and the latter is the subject of extensive control negotiations. Biological warfare has been banned *in toto*, as has the first use of chemical warfare, and negotiations are under way to ban ecological, meteorological and all other special systems of warfare.

The movement to ban chemical warfare is not new. It began in the mid-19th century (4) as people realized that chemical science and chemical industry had the capacity to produce large quantities of poisonous chemicals. Concrete efforts were begun at the Brussels Convention of 1874 which led to the Geneva Protocol of 1925, and its UN equivalents of 1974. 94 nations including the U.S. have now endorsed the UN Protocol of 1974. Despite this steady development of anti-CW opinion and legal position, massive use was made of vesicants, sternutating and lachrymatory gases in World War I, causing about one million casualties, 100,000 deaths and 100,000 incapacitations (5,6). One third of the American casualties in 1918 are said to be due to gas.

Despite extensive stockpiling, gas was not used in World War II. This presumably reflected military and political abhorrence of the weapon and a low military regard for its utility (1). The discovery of highly lethal nerve gases gave CW a new lease on life and the impetus of the cold war arms race resulted in the manufacture and stockpiling of vast quantities of these munitions beginning with GB in 1954 and VX in 1961 (Table 1) so that the U.S. stockpile is reported to have reached the amazing size of 80 million pounds, equivalent to 10 - 20,000 lethal doses per person on this planet (1,7). The CBW situation remained quiet until the mid-1960s, when the U.S. embarked on its ecocide campaign in Vietnam using the toxic herbicide Orange T (with its even more toxic contaminant, p-dioxin). At the same time there was a major increase in the anti-personnel use of "so called" non-lethal gases. The coincidence of the use of CW in Vietnam (8), the spectacular Dugway sheep accident (9), the increasing concern over the danger represented by the stockpile of war gases (10), and the growing realization that nerve gases were at least the equivalent of tactical nuclear weapons in lethality and destructiveness, produced a new wave of disapproval of CW and the Army Chemical Corps. In the 1970s this disapproval took the form of environmental protection laws governing the testing, the transportation and disposition of CW agents (11), clear cut opposition by allies against overseas stockpiling (12), Congressional rejections of CW budgets and DOD discontinuance of CW development programs (12). Thus, the crux of the matter is that CW was sufficiently in disfavor again by 1974, so that the U.S. and the U.S.S.R. had publicly, firmly and jointly committed themselves to CW disarmament. Into the midst of this

TABLE 1

Examples of U.S. Chemical-Agent Stockpiles[1]

Location	*Estimated quantity of agent*	*Remarks*
Rocky Mountain Arsenal, Denver, Colorado	(There were about 15 million pounds of mustard gas and GB nerve gas here in 1971, but all the stocks are now being destroyed, with completion scheduled for the end of 1977. There are also about 2.1m lbs of phosgene (CG) awaiting disposal.)	
Pine Bluff Arsenal, Pine Bluff, Arkansas	Between about 6.3 and about 12.5 million lbs.	Stocks include some nerve gas. There are also about 20,000 lbs of the psychochemical BZ.
Newport Army Ammunition Plant, Newport, Indiana	About 3.2 million lbs.	VX nerve gas only.
Anniston Army Depot, Anniston, Alabama	Between about 4.6 and about 9.1 million lbs.	Stocks include some nerve gas.
Bluegrass Army Depot, Lexington, Kentucky	Between about 0.7 and about 1.4 million lbs.	Stocks include some nerve gas.
Tooele Army Depot, Tooele, Utah	Between about 20 and about 40 million lbs.	Stocks include something like 10m lbs of GB nerve gas in bulk storage. There are also large stocks of weapons filled with GB, VX and mustard gas.
Hanau and other depots in West Germany	Up to 12 million lbs.	Nerve gas and mustard gas filled into munitions.
TOTAL:	About 80 million lbs. (excluding the Rocky Mountain stocks)	Of which about 40m lbs are nerve gases (ca. 10m lbs VX). About half of the total supply is in munitions. The weight of nerve gas stored in bulk is evidently about the same as the weight of mustard gas filled into munitions.

[1] Data abstracted from Robinson, J. P., ISIO Monograph 1st Series, No. 10, 1974.

*Note: President Carter's call upon all nations for the complete banning of nuclear weapons.

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highly sensitive historical scenario, the U.S. Department of Defense introduced proposals for a 2 billion dollar long-range program for chemical warfare modernization and rearmament. It is clearly necessary to know the grounds for the new CW program, as well as its difficulties and dangers, and benefits, if any.

Binary weapons are based on the principle of the mixing of two or more relatively non-toxic reagent chemicals* (and accessory components such as catalysts) so as to generate *in situ* a highly toxic chemical agent. At this time the toxic agents are known chemical warfare organophosphorus nerve poisons. However, the binary principle can be applied to any kind of reaction and any kind of toxic preparation; in principle also it need not be limited to binary mixtures nor to single reactions. What must be emphasized is the feature of the *de novo* generation at the time of use of a highly toxic chemical weapon from non-toxic (or relatively non-toxic) precursors. Thus, the principle would seem to apply to the nerve gas generated *de novo* by a chemical reaction in an artillery shell in flight as well as to the asphyxiating environment created *de novo* by the chemical reaction of the fuel-air bomb at the time of impact.

Chemically, the organophosphorus nerve gases can be represented by the formula of Figure 1. Of the listed compounds, present plans as publicly known, cover only GB (Sarin) and VX. These two agents are highly toxic anticholinesterase inhibitors; VX is the more toxic, the lethal dose being a fraction of a milligram per person. Whereas GB is a respiratory agent, VX is a liquid and can enter through the skin but also can be dispersed as an aerosol for respiratory entry. The toxicity of these agents is indicated in Table 2, which shows

TABLE 2

Examples of Toxic Compounds Including Chemical Warfare Agents

Compound	*LD_{50} in Mice mg/kg*
Mustard gas	8.6
CO	0.7
HCN	1.0
GB	0.1
VX	0.01
Cobratoxin	0.05
Botulinus Toxin A	10^{-6}

*An intermediate such as $RP(O)F_2$, where R is alkyl, has significant toxicity, and requires special precautions during manufacture.

FIGURE 1

Formula and Structure—Nerve Gases

Y = O, S

X = F, CN, S alkyl

R - alkyl, cycloalkyl

R' - alkyl dialkylamino

Name	*R*	*R'*	*Y*	*X*
Tabun	$(CH_3)_2N$	C_2H_5O	O	CN
Sarin (GB)	CH_3	$(CH_3)_2CHO$	O	F
Soman	CH_3	$(CH_3)_3C\,CHO$	O	F
VX	CH_3	C_2H_5O	O	$S(CH_2)_2N(CH_3)_2$

them to be 1000 times more toxic than older agents and as toxic as bio-poison. It may be noted parenthetically that the next major step is to bridge the toxicity gap to botulinus toxin (p-dioxin has this kind of capability).

Nerve gases work by irreversible inactivation of the enzyme acetyl choline esterase (AcChE). AcChE is normally present in the synaptic junction (space between nerve endings) or the neuromuscular junction (space between nerve and muscle). When a message or impulse is to cross from nerve to nerve or nerve to muscle, the neurohumoral agent, acetyl choline (AcCh), is released into the synapse and binds to specific receptors on the nerve or muscle; this causes electrical changes and as a result an impulse is generated; nerve conduction occurs or the muscle contracts. Unless the acetyl choline stimulus is removed, contraction persists in the muscle on the one hand or the nerve is refractory and non-transmitting on the other hand. The net result is paralysis. The normal function of AcChE is to hydrolyze AcCh, thereby freeing the receptors, permitting muscle relaxation and clearing the way for further transmission or contraction. The enzyme reacts with the acetyl choline to form a labile ester bond with the acetate moiety at the enzyme's esteratic site. The hydrolysis of the labile ester bond by H_2O regenerates the active enzyme. The nerve gas reacts with the enzyme in a similar fashion. However, the stability of the inhibitor (nerve gas) bond prevents H_2O hydrolysis and produces an irreversibly inactivated enzyme. Antidotes such as pyridine-aldoxime displace and regenerate active enzyme while a protective agent such as atropine can block AcCh receptors and protect the enzyme. The extent of inactivation (esterification) and the irreversibility of the product are a direct function of the nature of the R substituent as well as the presence of S & N in the R groups or bonded to the central P atom. These groups also determine whether the tendency to esterify is accompanied by significant alkylating tendency; esterification is responsible for acute toxicity whereas alkylation can produce delayed effects including carcinogenesis (Figure 2).

The question is how do these nerve gases become binaries? Table 3 shows the general pairing of reagents which can be used in a binary missile to produce *in situ* by a *de novo* reaction a G or V nerve gas product. You can see that for the G gas fluorinated or chlorinated phosphine derivatives are reacted with appropriate alcohols with or without the presence of hydrofluoric acid and accelerators. In a similar fashion, a complex precursor is reacted with dimethylpolysulfide to give VX. For example, an artillery or howitzer shell (155 mm. or 8 in.) could be filled with Et-2-di-isopropyl-aminoethyl-methyl phosphonite; dimethylpolysulfide would be loaded into a separate canister. For use the canister would be placed in the artillery shell. The impact of firing and acceleration would then break the partition between the containers and the vanes present in the rotating shell or tumbling bomb would mix the contents. Heat generated by the friction of flight and/or

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FIGURE 2

Model Reactions of Importance for Nerve Gases

1. Acetylation of Enzyme by Substrate
   ENZ-OH + AcCh → ENZ-OAc+CHOLINE
2. Hydrolysis of Acetyl enzyme and regeneration of active AcChE
   ENZ-OAc + H_2O→ ENZ-OH + H^+ + Ac^-
3. Esterification of AcChE by nerve gas (model reaction).
   ENZ-OH + $(RO)_3$ .P(O)→ ENZ-OP(O) . $(OR)_2$+ROH
4. Alkylation of Biological Targets by nerve gas (model reaction).
   R_1:H+ $(RO)_3$.P(O)→ R_1-OR+$(RO)_2$.P(O)$\bar{O}$ +H+

   R = alkyl, alkyl-amino, S-alkylamino

   R_1 = $-COO^-$, $-NH_2$, - phenolic OH, imidazole, purine or pyrimidine, SH, - OPO_3^{2-}, etc.

TABLE 3

Possible Choices of Component Pairs for Binary G- and V-Agents [1]

Reactant 1[2]	*Reactant 2*[2]	*Agent*	*Byproduct*
RP(O) F_2	R'OH	G	HF
RP(O)(F)(Cl)	R'OH	G	HCl
RP(O)(Cl_2)	R'OH	G	HCl
R'O.RP(O)$CH_2CH_2NR_2$	Polysulphides	V	Alkyl S
R'O.RP.(O)Cl	HF	G	HCl
R"$_2$N CH_2CH_2S.RP(O)Cl	R'OH	V	HCl
R'O.RP(O).SCH_2CH_2Br	R"$_2$NH	V	HBr
RP(O).$(OR')_2$	R"$_2$NCH_2CH_2SCl	V	R'Cl

[1] From Ref (4).
[2] R = Me, Et. R',R" = alkyl groups, $>C_2$. NR_2, N R_2'' = aminoalkyl or heterocycle.

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the presence of accelerators would cause the reaction to go to completion or nearly so within the time of flight, which can be estimated to be of the order of 10 seconds (13). These reaction rates can be achieved without great difficulty. Upon impact on target, an explosive charge in the nose of the projectile distributes the chemical agent over a chosen area. It is noteworthy therefore that the *in situ* reaction can be incomplete, generates by-products, and may also cause variable decomposition of the agent and therefore produce a variable yield of active agent. The actual operational status of these weapons is that no binary nerve gas has, to public knowledge, ever been field tested. The DOD claims that a 155 mm. artillery shell is close to development and production, but its performance is based on computerized simulation tests as far as is known. Appropriate field testing requires either EPA approval or direct presidential authorization. The last known field test of a nerve gas killed 6,000 sheep, 30 miles downwind from the test site at Dugway, Utah (9). Recently, questions as to testing have again been raised by the death of a large number of horses under suspicious conditions near the same test site (14). It should also be noted that the one CW agent produced without field tests was a failure. This was the case of Lewisite which cannot be used because of instability in the presence of moisture.

In the absence of field testing, it is not possible to say whether DOD has any operational binary capability, nor what the true capabilities really are since both the extent of reaction and the pattern of impact on target will determine the actual lethality, and this can only be approximated at present.

The drawback of field tests are accompanied by a number of other serious drawbacks. First, volume/volume, binaries carry a smaller payload of agent than direct weapons due to the space taken by by-products and accessory chemicals; smallness of payload is also due to the incompleteness of the reaction. Second, all binaries so far considered have properties which give away their presence and render surprise difficult, e.g., S odors from V agents and irritation due to HF released with G agents. In contrast the "pure" nerve gases are odorless and give no warning effects. The warning effects of binaries are enough to

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permit action towards antidotal neutralization as well as protection and could trigger a like response before significant incapacitation occurred.

In addition, the nature of binaries places special limitations on targets and munitions. Targets significantly closer than the time of complete reaction would be excluded as, for example, simple delivery by low flying aircraft. Similarly, munitions having insufficient time of reaction would be excluded (e.g., mines).

Thus from a weapons technology point of view, binaries are not particularly advantageous and present liabilities as compared to the original weapons they are intended to replace.

Operationally, however, the binaries offer a key compensating advantage, i.e., they are sanitized versions of nerve gases which can be transported and stored anywhere as far as safety is concerned. Thus they can meet public objections as to manufacture and storage in the urban context and be shipped with safety. They can be as far forward and as completely integrated into munitions stockpiles as are conventional munitions and more so than can tactical nuclear weapons. DOD has currently available over 25 weapons charged with GB or VX and intends to replace as many of these as possible with binaries.

Currently, nerve gas weapons are handled as "special" ordnance, subject to special regulations as to deployment and use. This authority can now pass to field commanders. At the very least the control of binary nerve gas weapons can be relaxed; this, coupled with their more complex nature, will increase the risk of accidental as well as unauthorized use of the weapons. Thus, the easier availability and the greater safety of the binary weapons replaces one set of dangers with another set with little clear military advantage.

To summarize this section, the properties of binaries overcome the disadvantages involved in the storage and deployment of toxic nerve gases but introduce difficulties in development of munitions, reduce flexibility and efficiency and increase the danger of accidental or unauthorized use. It is questionable whether this contributes to a gain in military strength and national security.

DOD and the Chemical Warfare Service now propose a thorough-going modernization of chemical weapons involving the replacement of existing stockpiles, slated for destruction anyway, with binary versions of the destroyed weapons. It is very difficult to know precisely what DOD has in mind: in 1972, total replacement and destruction of existing stocks was projected to cost approximately 2 billion dollars (15). More recently, the army has proposed instead that only that portion of the stockpile be replaced which relates to (undefined) critically needed items currently under development (16). This probably represents an investment of 50% of the original program. But it must be recognized that the whole program is made uncertain by the fact that no single binary is really ready for production because it has not been field tested and that even the proposed replacement program will have a lag time of 5 to 10 years (17).

The suspicion cannot be rejected that this ambitious program which utilizes a new but weakened version of an old weapon has little to do with military advantage but much to do with guaranteeing the continued existence of CW. It is therefore important to examine the DOD's justifications for the proposed expansion, its sincerity, and to the extent that it appears sincere, the security produced by the program, the alternatives available and the effect on disarmament.

DOD insists that the new CW program is necessary for national security based on the doctrine of like-with-like deterrence. Thus, the first question must be, is like-with-like deterrence necessarily the best, and is it the only secure military posture with respect to CW? At the very least, the answer by DOD is obscure. Remembering that nerve gases such as GB and VX are probably as potent as tactical nuclear weapons, we may ask whether the like-with-like posture inhibits their use. Certainly not by the threat of retaliation. A hypothetical opponent would adopt his own posture not only because of like-with-like deterrence but because he may also choose to retain the advantage of surprise. When coupled with an advanced protective posture his position may then be virtually impregnable with respect to like-with-like effects. Thus, it would seem that like-with-like deterrence can induce a combined retaliatory and protective posture which will neutralize the value of the deterrence and generate the by now usual spiral effect on the arms race. The public announcement and implementation of a like-with-like strategy will no doubt accelerate the opponent's protective development and deployment, producing the very situation noted above. As with other weapons, given a high enough level of protection, only unintended targets such as our allies in Europe or other unprotected populations are likely to be seriously exposed to binary nerve gases, further compromising the potential security to be derived from a binary weapons program. Both the intention to use, and the preparedness for use, of binaries against insurrections and other third world situations are by no means excluded from consideration. The political disadvantages of this kind of intervention are well known, and need not be repeated here.

DOD has, however, not banked entirely on like-with-like deterrence to sell the binary program. Instead it has lately introduced the consideration that our present CW posture is not "credible" (18). "Credibility" has, however, taken on a new and very flexible meaning in this context. At one and the same time, it serves to describe either a mismatch between stockpile and requirements, or a mismatch between the weapons capabilities of existing CW munitions and a newly planned array of weapons. Either type of mismatch is supposed to render CW not "credible," and therefore generate extensive requirements for replacement. But in either case, estimates of stockpile needs are based on the requirements for like-with-like deterrence; how this requirement has been derived is a deeply guarded Chemical Corps secret, not shared with Congress and perhaps not shared with DOD itself. The result is that the limited strategic doctrine of like-with-like deterrence is the basis for an undefined requirement which leads to a highly variable program, which sharply increases CW armament rather than reduces it.

Irrespective of whether like-with-like deterrence is a sound approach, CW binary armaments present several additional strategic difficulties and dangers (19). Nerve gases are economical high lethality weapons. Nonetheless, specialized technology and requirements for technically advanced control and safety systems place the production, storage and deployment of nerve gases beyond the capability of many nations. The total technology involved in binaries is far simpler, and therefore is accessible to many countries otherwise incapable of manufacturing nerve gases. If the great powers make binary nerve gases a major component of standard armaments, many countries will be under pressure to follow this lead and develop retaliatory capacity. This proliferation greatly increases the risk of either the intentional, unauthorized or accidental use of nerve gases. (The prospect of wide dissemination of these lethal agents is a chilling one in its own right; it would also be a significant reversal of the worldwide drive to reduce chemical contamination of the environment.) The proliferation capabilities and stockpiles for binary weapons would also make for a considerable increase in the possibility that criminals and terrorists will use these weapons as means of blackmail; chemical blackmail has been attempted in the past (20). Thus, the very reasons of safety and economy which make binaries appear so desirable to DOD also increase the risk that nerve gases will be used, thereby significantly reducing the advantages of binaries over direct weapons.

Binary nerve gases have been called escalatory weapons by J. Robinson (1). By this view, an opponent armed with nuclear weapons but with only a moder-

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ate CW capability, facing serious losses as a result of the use of binary nerve gases, would be forced to consider tactical nuclear retaliation. This is so because in terms of effectiveness and lethality, conventional responses could not easily equalize the situation, whereas tactical nuclear weapons could. Again, the strategic consideration which emerges fails to show any clear advantage for a more advanced CW armament system.

Given the collection of operational and strategic limitations enumerated above, it is clear that fully convincing justifications for a major CW armament program do not now exist. But the very fact that the DOD is considering just such an expanded program must adversely affect the progress of CW disarmament negotiations. This adverse effect in turn can be used as further justification for CW expansion. It is clear that a vicious circle of this type could permit the military in the U.S. as well as in the U.S.S.R. to establish binary chemical weapons as a standard item of armament with greatly expanded command and operational personnel. The institutionalization of chemical warfare will make CW disarmament much more difficult.

It is necessary to examine CW disarmament as an alternate road and to determine what degree of security is needed along this road in order to balance the loss of the dubious advantages of like-with-like deterrence. It appears that this necessary security could be achieved in two ways: either by 1) an extended, completely shared international cooperative program for the development of economical antidotes and protective devices, or by 2) an international reporting and accounting system based primarily on national controls but open to evaluation and checking by an international agency. Plausible schemes to accomplish sufficient verification are now being developed (21). These make it very unlikely that any major evasion would go undetected. Thus the combination of adequate protection, destruction of existing stockpiles and adequate verification appears to be a suitable trade-off for like-with-like binary weapons deterrence and would increase national security.

Before summarizing my presentation, I should like to introduce two other considerations related to binary weapons. First, it is my own belief that the proposed binary program can compromise all present negotiations to ban special weapons and special warfare systems. This is because advances in molecular biology, chemical and biochemical sciences can be expected to permit the synthesis of specific chemical inhibitors for any physiological process. It is possible to design such synthetic poisons so as to block their activities by either leaving the product incomplete or by using blocking groups to mask the activity. Simple mechanisms can then be adopted to activate the agents to the stage of lethality. Furthermore, since the actual munition components are inactive synthetic chemicals, innumerable problems of definition are generated. Since this line of weapons development is a direct extension of binary nerve gases, unless binary development is blocked, objection can be raised to banning other special weapons or special warfare systems on the grounds that countries with less advanced CW systems will be disadvantaged unless they can adopt special weapons of their own choice. This choice could include biological weapons since the opportunity of developing complex systems such as suggested above obliterates the line between natural toxins and synthetic "toxins." In essence, breaching the present rejection of special weapons such as binary CW weapons can lead to an erosion of the resistance to all special weapons systems, banned or not. As resistance slackens, pressures to divert the farthest reaches of chemistry and biology to war and war games will also increase, increasing the threats to human survival, and decreasing the constructive role of chemistry.

The second consideration relates to the possible long-range effects of binary components and nerve gases. These reactive chemicals, in general, share the properties of mutagenicity and carcinogenicity (and, perhaps, they can also act as teratogens). Although it is unlikely, because of their specific chemistry, whereby esterification predominates over alkylation, that these agents will be potent carcinogens, even this cannot be excluded. It is, however, quite probable that they will show some carcinogenic activity, since there is evidence that compounds of the type of GB/VX and the halogenated alkyl phosphonites alkylate DNA (22, 23) and there is also increasing indication of the *in vivo* esterification of DNA phosphates as part of the attack on DNA by other carcinogens (24). Thus expansion of the production and storage of these kinds of chemicals increases environmental carcinogenic burdens and implies a willingness to accept causation of additional human cancer as a consequence of military tactics and strategy.

Summary

The evidence presented in this paper suggests that while substitution of a binary mode for existing chemical nerve gas weapons decreases their effectiveness and efficiency, it vastly increases their acceptability and practicality by neutralizing the need for transporting and storing these extremely lethal munitions in physically dangerous and politically unacceptable ways. As a result, nerve gas capability can now be directly integrated into standard battlefield munitions and the Chemical Corps proposes that this be done over the next 5 to 10 years as a cost of well over a billion dollars. Considering that no binary has yet been field tested and that field tests are not likely to be authorized, it is not clear how this is to be done. Nonetheless the Corps proposes to do it, thereby making it necessary to decide whether this move adds to or subtracts from American security. Security in this case ought not only cover the risk of battlefield use but the possibility of the use against urban populations, since the absence of property destruction makes this a compelling feature of wartime use. The Chemical Corps proposes to deter these risks by the threat of retaliation, but other powers can be either stronger in capability, in protective stance, or in both, and can opt for first use. Or they can opt for tactical nuclear retaliation. In either case, there is obviously less security this way than if binary weapons were banned before they were developed and deployed. This is the objective of the Geneva negotiations as well as the bilateral talks with the U.S.S.R. A reasonable *quid pro quo* is enough joint surveillance and verification to prevent major development and production programs, joint programs for destruction of existing weapons and international sharing of protective developments. These objectives are probably achievable, but will certainly be less attractive if the U.S. embarks on a new, extensive binary armaments program. The Department of Defense knows this. This raises the question of whether the bureaucratic status quo has become a barrier to a major disarmament step which might otherwise appeal to everyone, politicians and generals included. Thank you.

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The Fuel Air Bomb: A New Generation of Binary Weapons

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During the final weeks of the second Indochina war, there were reports that a new type of bomb had been used by forces supported by the U.S. both in South Vietnam and in Cambodia. The Associated Press, on April 25, 1975, published a report from Saigon that the Foreign Ministry of the Democratic Republic of Vietnam had charged Saigon troops with using "ultralethal asphyxiation bombs" against communist-led troops at Xuan Loc, east of Saigon. There was no comment from the Saigon regime. At the same time a Reuters news dispatch reported that hundreds of bodies had been found in the Xuan Loc area with no visible injuries, and it was suspected that they had died from lack of oxygen. A few weeks earlier the Foreign Ministry of the Royal Government of Cambodia had reported that "the CBU-55 bomb which destroys all human life in an area of more than 3,000 square meters by oxygen absorption" had been used in Cambodia.

Just what is the CBU-55 bomb? Should it be classified as a binary weapon? Is it the so called "ultralethal asphyxiation bomb," and does it fall into the category of a chemical weapon? My talk will describe the CBU-55 weapon, known also as the Fuel Air Explosive or FAE; the history of its development and use in Indochina; and the problem of whether or not it is a chemical weapon.

FAEs — Binaries?

Professor E. H. S. Burhop has defined a binary weapon as "an artillery shell or other form of warhead containing two non-toxic precursor chemicals. They are allowed to mix only after the firing of the warhead. A reaction then takes place between the constituents and the reaction product: a chemical warfare agent has been formed." It seems to me that the FAE weapon is a binary weapon. At this point, I must emphasize that despite 5 trips to wartime Indochina to study the environmental effects of U.S. weapons technology (during two trips to South Vietnam, I was officially accredited as a correspondent to U.S. Military Assistance Command Vietnam), my only personal knowledge of this weapon was derived from rumors among U.S. troops I talked to when we were working on operations with those troops. My questions about this weapon, directed to U.S. officials in Saigon in 1971, were not answered.

FAE Described

According to a letter dated May 27, 1975, from the Director of Defense Research and Engineering, Malcolm R. Currie, to Congressman Max Baucus, "The CBU-55 is a Fuel Air Explosive bomb weighing approximately 500 pounds. Upon ground impact, the fuel in the bomb is dispersed to mix with ambient air forming an aerosol fuel air cloud which is then detonated to create a high overpressure. The CBU-55 is a blast device originally designed to clear helicopter landing zones of mines and booby traps. It was subsequently found effective against troops (lethal within

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25-30 feet) and has since been used extensively in that role. The effects of CBU-55 are similar to conventional general purpose bombs except that the CBU-55 creates a higher overpressure per bomb weight and has far fewer fragments."

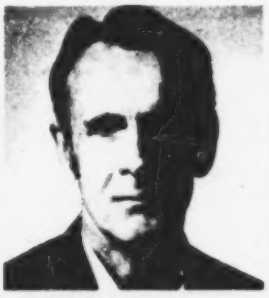
More detailed information has been provided by the authoritative magazine *Aviation Week and Space Technology*. This journal states that the Fuel Air Explosive weapon provides an extremely powerful blast over targets by delayed explosion of an aerosol fuel sprayed over the area in cloud form before detonation. A sensor, dropped either with the weapon or separately, determines when the optimum consistency has been reached, at which time the FAE is detonated. (This fuel may be ethylene oxide, propylene oxide, or methylacetylene/propadiene/propane.) Detonation by conventional grenade-like explosive occurs after a normal delay of 125 milliseconds. The cloud is about 50 feet in diameter and approximately 8 feet thick. When it is detonated, blast overpressures of 300 psi within a 50 foot circle are created. The CBU-55 has three 100-pound individual canisters which separate from a large dispenser after release from an aircraft, and each of these canisters is individually retarded by a drogue parachute as it nears the target.

History of Development

What is the history of the development of this weapon? According to U.S. Air Force officials, the first concerted testing of FAE began at Eglin Air Force Base in 1967. However, the Navy had been doing research and development on FAE weapons at its China Lake installations as early as 1966. In concert with the Navy, Honeywell Inc. conducted research and development of the CBU-55 bomb under an approximate 5 million dollar Navy contract. Honeywell then produced the operational weapons under an additional 5 million dollar contract. More than 30 companies provide components for the system, which is then assembled at the Naval Ammunition Depot in Hawthorne, Nevada.

According to *Aviation Week and Space Technology*, the CBU-55 warhead proved to be highly effective in Vietnam. In its November 1st, 1971 issue, this journal states that "FAE weapons have become operational in Southeast Asia, being used primarily against bunkers." They were operational at the time I was there in the summer of 1971, and it is disappointing that the DOD chemical weapons people would not talk about this weapon when I asked about it at that time, since it was being used. It is interesting also to note that this weapon was developed for use against mines and booby traps, but was used mainly against people. The National Liberation Front had many civilian installations in bunkers, and this FAE bomb did not distinguish between civilian and military bunkers. I know all of their hospital/medical facilities were underground, and one wonders how many of those were blown up.

Anyway, *Aviation Week and Space Technology* went on to say that "after impact the weapon will release a mixture of liquid fuel and air that trickles into bunkers and cracks and explodes with blast effects." The first public information on the development of this weapon appeared in a brief note in *Aviation Week and Space Technology*, in the August 3, 1970 issue. It states that the FAE weapon is being tested for use with attack helicopters, and that it seeps into crevices and turns corners of such targets as caves, bunkers, and buildings.



Dr. E. W. Pfeiffer is currently a Professor of Zoology at the University of Montana. Dr. Pfeiffer received his Ph.D. at the University of California at Berkeley in 1954; since then he has held numerous teaching positions, and was a Special Fellow for the National Institutes of Health at Western Reserve University in 1966. He is a member of the American Association for the Advancement of Science and the American Physiological Society.

Dr. Pfeiffer made five trips to Indochina between 1969 and 1973 to study the effects of chemical warfare, and has published extensively on this subject. His other research interests include reproductive physiology and anatomy, and mammalian renal physiology and anatomy.

The Army has also been developing its own FAE systems, concentrating on their use for mine clearance. The Army's ultimate goal is to develop a ground-launched, all weather FAE system for breaching enemy mine fields. The Army has made good progress in developing a ground-launched, rather than an air-launched, weapon. They report on this in the May/June 1976 issue of *Army Research & Development News*, which I thank Dr. Mikulak of the Arms Control and Disarmament Agency for referring me to. This is an important point; the FAE system has a future, and has been progressing in development. In 1973 a program of testing was under way at Camp A.P. Hill, Virginia. One of the Army's requirements is that the weapon continue to function down to temperatures of –25°F.

In a letter to Congressman Baucus dated June 24, 1975, from Director of Defense Research and Engineering Malcolm R. Currie, the history of FAE weapons is updated. He writes that "The CBU-55 was developed by the U.S. Navy in the early 70s for the purpose of clearing helicopter landing zones and was introduced in South Vietnam by the U.S. Air Force in 1972. These weapons had several operational problems that limited their usefulness. They were relatively fragile devices which could not stand the strain of delivery from high performance aircraft. Thus they had to be dropped from transport aircraft such as the C-130. The bombs were used primarily for clearing helicopter landing zones because the delivery accuracy of the C-130, combined with the effects of wind on the parachute retarding system of the bomb, did not allow pin-point bombing.

Use in Southeast Asia

"During the period 1972 to 1975 the South Vietnamese dropped approximately 2,000 of these weapons. They were generally used at night and primarily in an area bombing role as a supplement to B-52 strikes. The South Vietnamese accelerated the use of the CBU-55 during the last-ditch defense of Saigon where the weapon proved to be fairly effective against massed troops. The only use of CBU-55 in Cambodia was by the Khmer Republic Air Force in an attempt to open the Mekong River for shipping. The weapons used were obtained from the South Vietnamese with U.S. approval and were dropped from T-28 aircraft."

In what way is the FAE "effective against troops"? According to sources at the Arms Control and Disarmament Agency (ACDA), the characteristics of the explosion suggest that the high overpressures cause severe chest compression,

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with lung alveoli collapse and respiratory failure probably occurring to those caught above ground in the cloud.

Summary of Research

I have a summary of some research that has been carried out on the effects of the FAE weapon by the Lovelace Foundation for Medical and Educational Research in Albuquerque, New Mexico. The Foundation's research unit is at Monzano Air Force Base, and I talked with them on the phone and found that the work on the effects of this weapon on animals and humans is still classified. However, a source at the ACDA was kind enough to summarize what he knows about the effects, as determined by the Lovelace Foundation. He says experiments were conducted with several species of animals. The Lovelace results reportedly indicate that there is a very high probability of death due to pressure effects for personnel in unfortified positions in the area covered by the fuel/air cloud. Outside the cloud the probability of death drops very rapidly, reaching 0% only 2 or 3 feet outside the cloud. But lung damage occurs outside the cloud, and eardrum rupture, the lowest form of human blast injury, occurs at significant distances from the edge of the cloud. However, there is the question raised by the Cambodians and the Vietnamese: does this weapon at times consume oxygen so that there can develop a fatal hypoxia?

FAE—A Chemical Weapon?

According to the U.S. Arms Control and Disarmament Agency, the weapon as presently constituted does in fact consume atmospheric oxygen when it is detonated. It is interesting to note that there was some debate in the Pentagon as to whether atmospheric oxygen was necessary for the detonation. Thus the Navy conducted tests detonating Fuel Air Explosives in a vacuum at China Lake. These vacuum tests were expected to provide information leading to perfection of a non-nuclear warhead for use in space. The Pentagon explained that FAE tests in a vacuum were needed in order for the DOD to "know exactly how and why the fuel air phenomenon worked" (*Aviation Week and Space Technology*, February 19, 1973). So they were dropping it and using it before they understood how it worked, which of course was the situation with herbicides. As you recall, in 1966 the Director of Defense Research and Engineering said we would not use herbicides in Vietnam if there was the slightest chance they would cause ecological damage or damage to the health of people. As a scientist, I get concerned about the Pentagon using things before they know exactly what they're doing. Apparently they did this with the FAE weapon. The Pentagon questioned whether oxygen in the atmosphere was a necessary ingredient in creating an explosion with the weapon. It was postulated that the oxidizer contained within the fuels being tested (those named above) is all that is necessary for detonation of the vapor cloud.

In view of the fact that the FAE weapon used in Indochina did consume atmospheric oxygen and that it was used against bunker systems, it must be suspected that fatal anoxia may result from this weapon. The question arises, does this constitute use of a chemical weapon? The Geneva Protocol of June 17, 1925 defined those chemical methods of warfare which are prohibited as "the use in war of asphyxiating, poisonous, or other gases and of all analogous liquids, materials, and devices." Here is an interesting question, because ethylene oxide as dispensed would appear to be an analogous material, analagous to an asphyxiating gas, so possibly under the Geneva Protocol it is banned right now. It is a good example of the twilight zone in which weaponeers and disarmament specialists are operating at the present time.

It was not until January 22, 1975 that the United States ratified the 1925 Geneva Protocol. Despite the fact that the U.S. signed this protocol, several problems still remain with respect to U.S. policy regarding chemical warfare and the Geneva Protocol of 1925. Since 1925 there have been great advances in weapons technology, as typified by the CBU-55 bomb (FAE). Realizing that weapons technology has changed, the United Nations General Assembly in Resolution 2603a of December 16, 1969 declared in part "as contrary to the generally recognized rules of international law as embodied in the Geneva Protocol the use in international armed conflicts of any chemical agents of warfare: chemical substances, whether gaseous, liquid, or solid which might be employed because of their direct toxic effects on man, animals or plants . . . ." This resolution passed overwhelmingly with only Australia, Portugal, and the U.S. voting against it.

As is true with chemical herbicides and riot control agents, the U.S. does not consider Fuel Air Explosive weapons to be chemical weapons. ACDA has stated unequivocally that the CBU-55 is not a chemical weapon since it does not dispense a poison. However, it is quite clear that this interpretation of the Geneva Protocol of 1925 is not consistent with that of the United Nations General Assembly. Although I am not a chemist, it seems to me that anybody with some knowledge of chemistry would have to agree that a weapon that can be lethal to living systems because it produces critical local anoxia is certainly a chemical weapon. I want to emphasize that we have been told, unofficially, that the production of lethal anoxia is not a problem with this weapon. But, officially, the effects of this weapon have not been classified. If the effects are the same as have been indicated by government people, if it is the same as a conventional explosive, why are the research efforts going on at Lovelace Foundation? Until the DOD gives us the results of this research on the effects of the explosion of this weapon, we have to consider that it may be a chemical weapon because of its production of lethal hypoxic atmospheric conditions.

Recommendations

I hope that the American Chemical Society will consider the problem of defining chemical weapons, taking into account the tremendous advances in weapons technology that have occurred since 1925. I am not a member of the ACS, but I am very thankful that I have been invited to participate in this symposium, and I hope that the ACS will do what the American Association for the Advancement of Science did with respect to the herbicide question: they took a position on this question and they expressed it to the U.S. government. I hope that the American Chemical Society will express to the U.S. government its agreement with the United Nations General Assembly Resolution 2603a.

If such weapons technology is not stopped, we can expect a proliferation of this type of weapon system. Thus, the DOD is reported as believing "that only the surface has been scratched in developing uses for the weapon. Fuel Air Explosives open up a potential for increasing blast effects while reducing weight. They open the system for applications in areas of other weapons, guidance seekers can be added for a high speed version, the warhead size can be increased greatly, the cloud detonation can be incorporated in missile systems. Stand off capability and modular weapons concepts all apply to FAE." (*Aviation Week and Space Technology*, February 19, 1973.) Thank you.

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Binary Chemical Munitions and the Proliferation of Chemical Warfare Capability

Dr. Forrest R. Frank
Staff Associate
House Committee on International Relations

(The views expressed are those solely of the author and do not necessarily reflect the views of the U.S. General Accounting Office, where the author was employed at the time he made these remarks.)

I would like to address three questions this morning in my presentation. First, does the United States require lethal chemicals for its national security? Second, if so, should we procure binary chemical munitions, and what are the costs and benefits inherent in this program? Finally, in which fora are these questions best debated? I think it is also important to consider the problem of secrecy, because secrecy has, I think, long shrouded the whole question of chemical warfare from public debate in this country and elsewhere in the world. So first I will address the second question I raised—the implications of binary chemical munitions technology. Then I will move on to a discussion of the broader issue of whether we really need a lethal chemical warfare capability. Finally, I will get back to the secrecy question.

The primary problem, or advantage, depending on one's perspective, of binary chemical munitions is that they complete production of a toxic agent, whether lethal or non-lethal, *in situ* in flight to a target. This has tremendous implications for the production of chemical agents, whether lethal or non-lethal, incapacitating or psychological. The normal need for expensive, elaborate safety precautions in the production of chemical warfare agents requires a very high technology. There are today very few countries outside of Europe and the United States which are capable of mounting and supporting their own indigenous, organophosphorus compound-based chemical warfare capability. Immediately one can fault this analysis by saying, "Ah, but you're overlooking all those nasty things that were used in World War I," like phosgene and chlorine and other toxic industrial chemicals. I think I am going to return to this point later on, but for the most part, because those agents are not particularly cost-effective for major powers with an industrial capability for producing organophosphorus compounds of very high toxicity, they tend to be overlooked.

When one eliminates the need for expensive, elaborate safety precautions, one does a number of important and potentially dangerous things to the production of highly toxic chemicals. First, one eliminates visible detectable measures that would ordinarily be telltale signs of some type of highly toxic activity frequently associated with chemical warfare preparations. Now there's a question of degree involved in this. There are those who will argue that if one produces a highly toxic organophosphorus chemical compound, the safety precautions required are essentially no different than those required to produce VX or Saran or GB in a major industrial plant. As a political scientist and not a chemist, I will have to be educated by those of you who are experienced organophosphorus chemists, industrial chemical engineers, and so on. But the general concern that is rampant throughout the arms control and intelligence communities is that when one eliminates the need for a major industrial plant with extensive waste treatment facilities, medical countermeasures available, and very extensive personnel training necessary, one loses a set of indices or indicators about the activities going on in that plant which could be detected by various means.

Developing a munition that completes the manufacture of the chemical agent either en route to the target or perhaps just prior to being launched seems to increase the opportunities for the proliferation of these agents. First, the number of potential suppliers of precursor chemicals might easily grow, causing significant reductions in the capital costs the production of these agents would require. When one eliminates the need for extensive waste treatment plants, safety measures and so on, there appear all kinds of economic incentives to become involved in the production of organophosphorus compounds. Furthermore, if the precursor chemicals have civilian uses beyond being merely components of a binary munition, there will be a strong economic incentive to engage in the expansion of an industrial base, which in turn could result in still lower costs of procuring binary munitions. Now again, one must remember that the cost presently is partially in the munition itself, partially in the mixing mechanism, and partially in the cost of precursors. This was a design decision the Chemical Corps made, but it is not necessarily the only route to go. There is no particularly good reason to insist that the chemical agent be manufactured in flight to target; it could be manufactured in the munition prior to being launched. This would result in risk in handling these materials; it would not incur all the risks inherent in production, munitions filling, transportation, and stockpiling. We've gone one design route, but other design routes are indeed conceivable.

Once the precursors have been incorporated widely into the civilian industrial market place, there is the very strong likelihood that countries or individuals could acquire binary chemical precursor chemicals from multiple sources. It has been postulated in the past, for both an intelligence and an arms control need, that the chemical industry can be monitored using economic data such as observing purchases and production of elemental phosphorus and other important catalysts used in the production of organophosphorus compounds. The further reduction and the proliferation of component chemicals in warfare agent acquisition would make the intelligence problem extremely difficult. Perhaps it would be controllable, given advances in data processing, but nonetheless it would be far more complicated and difficult than it is today.

Another critical problem that binary technology raises, mentioned earlier by Dr. Rutman, is simply the strong possibility that non-organophosphorus compounds could be used as chemical warfare agents. Organophosphorus compounds were selected as chemical warfare agents in the post-war era on the basis of primarily two criteria—extreme toxicity on the one hand, and ease of storage on the other. There are other compounds, either synthesized or occurring in nature, which as Dr. Rutman pointed out, are even more toxic than the organophosphorus compounds we presently use.

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However, they lack the other criterion applied, namely, ease of storage. Going with a binary system might, indeed, enable countries to achieve technological surprise over their adversaries by using chemical warfare agents which cause casualties through mechanisms other than interference with nerve impulse transmission.

Some of these chemicals might not be effectively countered by current chemical protective devices. Thus we have additional possibilities for technological surprise, arising directly out of the binary technology.

Observations have been made that said, basically, "Well, why worry about things like the Fuel Air Explosive or other chemical agents and weapons systems which are in that grey area of analogous devices proscribed by the 1925 Geneva Protocol?" While we might disagree on the specific nature of these "grey area" weapons systems, I think there is a need to be concerned about them because the international political arena is trying to isolate certain weapons systems and place them beyond the pale of acceptable military practices so as to further limit armed conflict, so that the political purposes for which armed conflict is entered into do not become obscured. The laws of war, as evolved since the middle ages, have focused largely on the doctrine of proportionality and appropriateness; one of the concerns of those who formulated the laws of war—whether those laws were formulated in an international agreement, by unilateral doctrine or policy, or by widely accepted military doctrine—was to somehow match the level of violence between opposing societies to the political objectives sought. One of the problems with chemical warfare is the difficulty encountered in limiting the scope and intensity of the violence. To the extent nations can agree that certain weapons are so unpredictable in their political and military consequences that it would be much better not to use them, then the laws of war make sense.

Since 1919 and the Treaty of Versailles, there has been, I think, a very strong consensus that if chemical weapons used in World War I had been directed not against protected troops, but against civilian populations, this would have had very far-reaching and devastating societal consequences which would have vastly distorted the political purposes for which the war was fought. This then, is the underlying rationale for saying that certain kinds of weapons are not to be used. In the long run the conduct depends on tacit acceptance of restraints as much as on adherence to international law. So it is in this vein that exploring the lethality of nerve gas as opposed to mustard, or the lethality of tear gas or Fuel Air Explosives, ought to be considered. I think Dr. Pfeiffer and I disagree on the inclusion of Fuel Air Explosives in the chemical weapon category, but nonetheless, I think it is important to understand what is behind this debate, and to see that maybe this is one instance where the international community should define Fuel Air Explosives politically as chemical weapons.

A problem with binary technology, whether used in Fuel Air Explosives or in nerve agents, is that it makes chemical weapons safe to transport and store, and hence may actually encourage their use. One of the factors that has made the world's military men deeply suspicious of chemical weapons is the danger of self-inflicted casualties. Guns occasionally blow up, winds change, and vapors and clouds shift, so many commanders of field units, even those with training in chemical warfare, are very suspicious of chemical weapons and have an intense dislike for them on the grounds that they are likely to inflict casualties on friendly forces. Binary weapons reduce the inherent dangers of handling chemical munitions; if you drop a binary, nothing is going to happen, but if you drop a non-binary and the shell cracks, you could have a release of nerve gas which could inflict casualties on friendly forces. Once you eliminate this inhibition against the use of chemical weapons, you begin to undercut the reason for handling chemicals, like nuclear weapons, in a different manner than high explosives. Then, it seems to me, one must become a little bit concerned about incidents such as the unauthorized use of a particular weapon. The problem here is that unauthorized use of high explosives differs vastly in political consequences from the unauthorized use of chemical weapons. Finally, there's a problem of what binary technology does for making chemical weapons available to individuals.

Use by Terrorists

The Defense Department has correctly stated that two binary precursors could be mixed *ad infinitum*, just in a mixing bowl, and would not produce nerve gas. I see no reason to disagree with that. However, I think the Defense Department has failed to adequately come to grips with the difference in requirement between a military weapon and a terrorist weapon. A terrorist, in addition to causing personal injury, property damage, and physical dislocation of a society, achieves his primary effect through the psychology of terror. Matt Messelson once asked how a few rounds of nerve gas dropped into Saigon during the closing days of the battle would have affected the outcome. What would have happened to the Saigon regime, had its population demanded adequate protection against nerve gas? What would have been the consequences of those political demands? Alternatively, what is the likely outcome of the discovery through FBI bomb analysis that a group of terrorists in the San Francisco Bay area attempted to release nerve gas in conjunction with their own pipe bomb attack on a PG&E installation? I don't know; I'd rather not find out. So terrorists don't need a reliable weapon with a predictable yield. All they need is something that has the possibility of at some point yielding nerve gas, so they can confound the political system they're fighting. How will we feel when we see our policemen carrying gas masks and full rubberized protective gear, with collective shelters set up throughout major urban cities? This image bothers

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me, and I think that the military has yet to adequately explore the implications of terrorist use of binary technology. Such technology would not have to be efficient; it would only have to work, however crudely.

It seems to me that when we look at these rather non-quantifiable costs of binary munitions procurement, a number of questions come up, so before we decide to procure binaries we ought to think about these broader implications of binary technology. Will it make easier from a physical or cost point of view the acquisition of chemical warfare capability by other countries or by individuals? Do we want to do everyone else's R&D? I'm convinced that we shouldn't. The question of the broader problems, however, is important. I'd just like for a moment to raise the doctrinal problem that we're now trying to grapple with; this question is, do we need a lethal chemical warfare capability at all? If we do, binaries have certain advantages; if we don't, well, maybe we don't even have to look at the binary issue. The problem, simply stated, is what is required to deter chemical warfare throughout the world? The Defense Department has identified the major deterrent as the ability to "retaliate in kind." This is one approach to deterrence; it says, in essence, that we are going to respond to anyone using chemical warfare against us with chemical weapons of our own; therefore, it is not in any potential adversary's interest to initiate chemical warfare.

There are, however, certain political and economic costs associated with this approach. One of the problems we face in the United States is the question of where do we store our chemical munitions? Well, we're trying to deter the Soviet Union and its allies in Europe, so the most effective way to deter the initiation of chemical warfare in Europe is to pre-position stockpiles of these munitions in Europe. Unfortunately, the Europeans have a different view of the likelihood of chemical warfare, and have concluded they don't want chemical munitions in Europe. In fact, in 1969 the West Germans asked us to remove our stockpiles and not replace them. Our solution was simply to let the government change and leave our stockpiles in place; at some time in the future we would then approach the Europeans about replacing those stockpiles. The British destroyed their own stockpiles in the late 60s and early 70s, in effect saying, "We don't want these things around at all." More importantly, if one looks at the worldwide distribution of the organophosphorus chemical industry, one sees a trend which suggests our friends and allies outside of Europe may one day be confronted with a viable, credible, chemical warfare threat posed against them. The question then, is how does the United States' possession of nerve gas deter the use of nerve gas against our friends overseas, *outside* of Europe? Further, how do we acquire the capability of protecting our friends without becoming involved in local conflicts, as we did in Vietnam, and in Lebanon in 1958, and as we may at some point become involved in the Middle East? If only the United States has nerve gas, then we're forced into the position of having to either retaliate on behalf of our friends if they are attacked by nerve gas, or alternatively providing nerve gas munitions to our friends so they can use them as they see fit in retaliation for nerve gas attacks on them.

I can't document the following remarks, but my own gut feeling is that the United States will never supply its friends and allies with nerve gas munitions. We would have a difficult time doing this, given the constraints we feel in shipping these things overseas. So if deterrence by threatening retaliation in kind poses some problems, is there another way of deterring chemical warfare? I think there is.

The way to do this in my view is perhaps to rely on an "advantage denial" method of deterrence, which means that the United States in effect says to all potential adversaries, "If you use nerve gas against us, initially it might do you some good, but we will stand and fight in the toxic environment that you create, and are prepared to live with the casualties inherent in a chemical defensive posture over a short term period." This doctrine of deterrence by denying advantage has some costs associated with it too. For example, casualties are inherent in chemical defense, although how many is a matter of debate. Furthermore, protective measures are not 100% effective; casualties will be suffered through heat prostration and other operational constraints imposed by chemical defense.

On the other hand, advantage denial has certain benefits. First, we do not have to preposition chemical weapons overseas where they are not really welcome in the first place. Second, if the United States were to acquire massive chemical defense capabilities, we could deploy this capability around the world without necessarily having to surrender command and control over U.S. munitions. We could say to our friends, "Look, we can help you survive, so stand and fight," and we wouldn't have to become directly involved ourselves. I think in the post-Vietnam era of dissatisfaction with overseas military adventures, being able to help our friends without becoming directly involved has a great deal of merit, and ought to be considered.

To summarize, the doctrine of retaliation in kind poses certain problems which perhaps have not been adequately thought through. The question here is on priorities. Do we buy binary munitions, which have primary utility only in Europe, before we know we can send them there? Present indications are that under no circumstances will the Europeans allow us to ship binary munitions to Europe. In any case, I think a strong case could be made for going ahead on development of binary weapons, but the decision to procure them should be thought over more carefully.

How Much Secrecy?

Now the third question I raised this morning, concerning secrecy, is perhaps the most difficult one. I'd like to close on this particular note.

In discussing matters of international security, one always wonders how much information ought to be made public. We frequently hear comments like, "You've only seen the open literature; if you'd seen the secret stuff, you'd know the situation is quite different." The problem I have with this reasoning is simply that how am I, as an intelligent citizen, supposed to participate in an informed discussion when I don't have access to the relevant information in the first place? Now there's a fine line between deciding what is relevant for a policy discussion and what is relevant for the nitty-gritty decisions of how much we have to buy, where it's to be stored, who's going to have control over it, and where it is to be under X, Y, or Z contingencies. I don't know the answers, but it seems to me that the public has a right to know, and an obligation to seek out, the information necessary to make an informed judgment on matters of this kind, in so far as such information does not unnecessarily interfere with our ability to gather information about what is going on, not only in closed societies, but also within closed areas of our own society, particularly proprietary interests. There's a balancing act to be performed. I don't know what balance will be reached, but I think discussions of the sort that the Committee on Chemistry and Public Affairs is engaged in today are very important. They bring together people with considerably more technical expertise than I, so I can learn, as well as shed some light on some of the political implications that are inherent in these kinds of questions. I think it is important, then, that these kinds of symposia occur, and I am therefore very glad to be here. Thank you.

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Advantages of Two-Component Chemicals In Munitions

Dr. Henry Eyring
University of Utah

I've been delighted with the discussions that have gone before. Dr. Rutman said most of what needed to be said about the chemistry, so I will make my remarks in this area brief. I am indebted to Dr. M. A. Rothenburg, Scientific Director of Dugway Proving Ground, for kindly updating my information on binary weapons. The following information is substantially as I received it.

Status of Binary Development

The development of binary munitions is intended to help U.S. capability in the area of chemical munitions. The current stockpile is an aging one, and by its nature cannot incorporate modern development in weaponry. The lack of recent innovation and applicability to many current tactics, as well as the overall age of the current stockpile, renders its creditability from a deterrent standpoint questionable. The application of the binary technique permits use of modern weapons and methods, which enhance the overall capabilities of the munitions to make them *more* effective operationally than present munitions.

Replacement of Existing Stocks

Replacement of existing stocks is expected as a natural result of aging and obsolescence. Replacement will not be done on a one-for-one basis but on the basis of present day requirements instead of those of twenty years ago.

Efficiencies of Binary Reactions

The binary reactions for GB and VX have been modified so that they are effectively complete within the *minimum* delivery time of the munition system within which they are used (usually with some time to spare).

The reaction for production of VX follows first order kinetics and is complete in less than 10 seconds. It is exothermic, producing high temperatures. There are corresponding decomposition reactions, also of apparent first order, but with rate constants two or more orders of magnitude less, so that decomposition is inconsequential for the first several minutes. The rate constants are related to temperature by the Arrhenius equation, with the net effect being that cooling stops both formation and decomposition reactions.

The GB formation reaction is rapid; furthermore, there is no significant corresponding decomposition reaction, even at elevated temperature.

Reaction weight per cent yields result in purities somewhat less than those of plant-produced material.

Binary Agent Generation

The binary agent generation concept is as follows:

1. A projectile or warhead contains two liquid-filled canisters, each filled with a chemical or combination of non-toxic chemicals required to synthesize a specific chemical agent (VX, GB, etc.) when mixed.
2. One end of each canister is equipped with a diaphragm designed to rupture when subjected to a high force field.
3. When the projectile is fired, setback forces rupture the diaphragms on the end of each canister, allowing the two reactants to mix.
4. The rotation of the projectile during flight provides agitation and promotes the reaction by aiding the chemicals to mix.
5. The reactions for GB and VX are exothermic and reach completion within 10 seconds. Hence the agent is generated inflight to the target.
6. The payload is dispersed via detonation upon ground impact by a fuse-explosive train or is ejected above the target by an expulsion charge (which knocks off the base of the projectile) and releases the payload.

The payload for GB is Diflour Compound + appropriate alcohol; for VX the payload is Transester + S.

The Binary Principle

The principle of inflight synthesis of chemical agents via the binary principle has been applied to both projectiles (XM 687-GB, XM 736-VX) and free-fall weapons (BIG EYE-BX). For projectile application, the XM 687 and the XM 736 utilized a dual internal canister system filled with reactants for the synthesis of the binary GB agent inflight. A second concept of the XM 736 utilizes wedge-shape submunitions filled with one of the reactants positioned around a central container filled with the second reactant. For both munitions, initial setback during firing ruptures a diaphragm and allows the reactants to blend and synthesize the appropriate agent. The inflight synthesis is completed approximately 10 seconds after projectile firing, and the agent is delivered either prior to or upon target impact.

The BIG EYE or free-fall weapon utilizes an inflight mechanical mixing procedure that is started on command by the pilot. When activated one solid particulate reactant (contained in a cylinder) is forcefully injected into a liquid reactant. Complete reaction is accomplished in approximately 10 seconds. At this point the weapon is released from the aircraft for delivery to the target.

Why Binary Munitions Are Needed

I think that the points of view of Drs. Pfeiffer and Frank have been instructive and interesting, so I would like to go ahead and take those things for granted. But first I'll begin with a statement that we might all agree with.

In this world we live in, a powerful nation like the United States, if it is prepared, does not have to fight. Unfortunately, unpreparedness invites a predatory nation to initiate provocative action on the assumption that aggression can be pursued with no fear of retaliation. Unilateral disarmament is the road to disaster. On the other hand, multilateral disarmament, properly policed, is to everyone's advantage. If we want peace, as most everyone in this country does, we have no other choice at present except to deal from

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strength in efforts to bring about a reasonable resolution to the world's problems.

The problem still remains as to what deterrents constitute reasonable security. Our object is to avoid war, honorably. Any naton is not apt to initiate the use of a weapon that will not give them an advantage. In World War II, both sides had nerve gas, but it was not used by either side. Now we didn't have nerve gas then like we do now, but since the flame thrower, a much less pleasant weapon, was widely used, one must conclude that gas warfare was judged to be non-decisive. Prudence dictates that we should not allow gas warfare to become a decisive weapon. In the past, storage of nerve gas was a real, if often exaggerated hazard, but development of the binary weapon has substantially removed this hazard of storage. Development of binary weapons, however, has not removed all other problems, as we have heard today.

Apparently the technology of mixing chemicals in a binary weapon is well taken care of; we know how to do it. But what needs emphasizing is General Abrams' testimony before the House of Representatives that the Egyptians were very well prepared chemically. The chemical weapons captured from them in the October 1973 war indicated a very great sophistication, and that is something that causes me a great deal of concern. I am sure Abrams knew what he was talking about, and apparently the people who listened to his testimony felt that way as well. Now I think what Dr. Pfeiffer has done is show us a certain amount of deviousness on our part. But if he could establish that the deviousness we are capable of was not overmatched by the opposition, I would be delighted. So I get very worried about such technicalities unless we ourselves can see the deviousness of our potential antagonists. I suppose I speak from a common point of view when I say that we often fail, and are often devious, but there isn't any reason to think that, in a potential war, we are faced by people that are less devious than we are. And if we could establish that, I would be overjoyed to get rid of all the weapons nobody likes.

The flame thrower strikes me as particularly distasteful, just to give one example. I wouldn't like to be burned to death that way, although I wouldn't particularly want to die of nerve gas, either. Anyway, in an open society we can know our weaknesses, and so we can expose them, but unfortunately we don't have the same ability to discuss the deviousness of our antagonists. Also unfortunately, neither do the people that live in a closed society. This has largely neutralized my reaction to what Dr. Pfeiffer says about verification, and I don't believe that's a reason for us to unilaterally disarm. I think we should always try to find out what is going on on the other side, and I think we ought to observe the rules that we set down, but we also should be careful in accepting these rules unless we have a way of knowing whether or not they are being observed by the other side.

I think our system is much better than any other I know of, and in an open society such as ours one is obliged to abide by the rules, an obligation I do not think exists at all in a more closed society. And so to only berate us and point out our weaknesses, which I concede exist, distorts the overall picture. So we have to be very careful that we subscribe in a legal way only to rules that we can enforce, or at least if not enforce, we can know whether the other side has broken them. I also think we are very handicapped by it being possible for people who want to change our system by extreme means to have a free floor in this country, although I would not want to deny them this right. To deny this would be worse than anything caused by granting it.

I have left out a lot of my chemical discussion because I think Dr. Rutman discussed our problems very well, but I believe that we must be cognizant of defense mechanisms against chemical warfare. As Dr. Rutman pointed out, in World War I the Germans (actually Fritz Haber, who made great contributions to society by his work on fixed nitrogen but in the process also made the first world war possible) loosed chlorine on the Western Front. This caused, as Dr. Rutman said, one-third of our casualties in 1918. So the danger of a surprise chemical warfare attack is a very real thing.

I believe all of us want to avoid war, but the question is what is the best way to do it. I think we can only help bring about an end to war by dealing from a position of strength, and that is expensive. I don't think we want to build a sort of chemical "Maginot Line," and we might be doing that with nerve gas if we overdo it. We always have to watch overdoing it, which can happen with any kind of defense that we have. Still, dealing from a position of strength is infinitely better than unilateral disarmament.

These discussions are extremely valuable because they give us the opportunity to think about these things. But I emphasize that in my judgment we are dealing with opponents who could not stand the kind of open discussion about their own limitations that we have heard today about ours. We need to take that into account, and we need to realize that in the first world war surprise use of gas warfare against us inflicted a tremendous number of casualties. We're not likely to decide we should not protect ourselves; we must defend ourselves. We should also be prepared for a nation attacking us with chemical weapons by surprise, because if we are not prepared, such an attack would be a disaster for us. I believe there is no more disasterous doctrine in the world than the doctrine of unilateral disarmament. But I also believe there isn't a more important thing than bilateral, or multilateral disarmament. I think we agree on most of the points I have made, but I would be happy to hear discussion of any of them. I will stop now to leave time for discussion.

Dr. Henry Eyring, Distinguished Professor of Chemistry and Metallurgy, was Dean of the Graduate School and Professor of Chemistry at the University of Utah from 1946 to 1966. Among his numerous awards are the National Medal of Science in 1966, the Willard Gibbs Medal in 1968 and the American Chemical Society's Joseph Priestley Medal in 1975. He has also received honorary degrees from schools throughout the country.

He is a member of the National Academy of Sciences, the American Association for the Advancement of Science, the American Chemical Society, and the American Philosophical Society, and has held office in most of these organizations.

Dr. Eyring's principal research interest is Physical Chemistry. He has published over 500 papers in scientific journals on application of quantum mechanics to chemistry, the theory of reaction rates, and the theory of liquids, molecular biology, and optical rotations.

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Morning Session Question and Answer Period

Dr. Henry Friedlander: I'm with Union Carbide. In the last couple of minutes of Dr. Rutman's talk, I could see why there would be objections to unleashing sophisticated devices with all sorts of unknown environmental effects, and unknown secondary and tertiary effects that might persist and become delocalized. But as I was listening to Dr. Pfeiffer's talk about the FAE weapon, I failed to see the distinction between what is acceptable and unacceptable. Somehow I got the idea that the carpet bombing of Leipzig or Dresden was acceptable because only good old-fashioned incendiary bombs were used. Yet going into a bunker with this very simple chemistry, with no environmental effects, is somehow unacceptable, while on Tarawa, Iwo Jima, and Guam during World War II, going against bunkers with flame throwers was acceptable. So my question is, why is the deprivation of oxygen, with very simple chemistry, unacceptable, while the use of dynamite or bullets is acceptable?

Dr. Pfeiffer: This question came up yesterday when we were talking with the news media. The answer is that there are now international laws, rightly or wrongly, against the use of certain types of weapons. Now I personally would like to see everything outlawed, and we would have to go back to fighting with clubs and things like that. But there is the Geneva Protocol of 1925 which this government acceded to, which bans the use of chemical weapons. There are laws which say you must not use these types of things in warfare. And my question is, is the FAE bomb, which was used rather frequently in Indochina, now banned? Is it breaking the law to use it? I'm not saying that it's the world's worst weapon.

Dr. Friedlander: I guess my position boils down to, are we not creating a distinction without a difference? I guess that's my question. Why debate distinctions? After all, hitting someone on the head with a club might have a lot of effect on their synaptic junctions.

Dr. Pfeiffer: Well, the point is that if it deprives people of oxygen, then I think it is a chemical weapon, and if it doesn't, you can use it. That's simply the state of the art today with respect to trying to control weaponry.

Dr. Rutman: I guess finally it depends on where you start from. My view is that I would ban as many weapons of any type as I could, from our arsenal and everybody else's. I am aware of all the arguments about the difficulty of these things, but the progress of the human race towards the elimination of weapons is going to be slow and torturous, and the more steps we can take which refine and eliminate different kinds of weapons, the more progress we will make towards ending the nightmare of weapons and war. Now if one is not interested in ending the nightmare of weapons and war, then the distinctions do become somewhat academic and difficult to deal with. Chemical weapons kill by processes which are analogous to any other death process. We can't distinguish by that. The dead person is just as dead, the mortality is as great; there are distinctions in their utility, and some people make games out of these distinctions, it's quite true. But should we go on with these kind of armaments, or can we find ways to ban them? The more clear-cut the arguments are, the more easily disarmament can be obtained. That's the function of these discussions, I think.

Dr. Richard A. Kenley: I'm with Stanford Research Institute. I would like to make a couple of points, the first of which is to offer an alternative definition to what is a chemical weapon, an alternative to the Geneva Protocol's definition, which is basically a legal one. As a scientist I would like to offer the following definition: "A chemical warfare agent is any substance whose primary effect is due to a direct biochemical or chemical reaction with a living organism." By that definition the Fuel Air Explosive is excluded. Secondly, if we accept another definition, say the Geneva Protocol's, which prohibits the use in war, say, of asphyxiating gases, according to your description, the primary effect of the FAE, so far as we know, is not deprivation of oxygen, but is rather a physical effect. If a man's alveoli are totally destroyed, it's a moot point whether there is any oxygen left to breathe. In that respect, the discussion of the Fuel Air Explosive as a binary weapon is not germane to the subject, and detracts from the more important problems of prohibition of chemical warfare.

Dr. Pfeiffer: Well, I think that under the broad definition of binary weapon, it is a binary weapon. Right?

Dr. Kenley: If we accept that an asphyxiating gas is a chemical weapon, then the Fuel Air Explosive falls into that category. As you describe it, its primary effects are physical.

Dr. Pfeiffer: I thought the question was the definition of binary weapon. You said you didn't think that this FAE thing is even a binary weapon, so it wasn't appropriate for me to talk about it at this symposium.

Dr. Kenley: I don't consider it to be a chemical warfare weapon. Binary yes, chemical warfare, no.

Dr. Pfeiffer: Well, I brought it up because some countries might consider it to be. Yugoslavia, for instance, considers this weapon to be a chemical weapon. I like to talk about the FAE bomb because I think it is on the borderline; it exemplifies the sort of problem that ongoing technology is creating.

I think it is a fairly safe prediction that if you are in the cloud and you are not killed by compression, you're going to be killed by asphyxiation, and I don't know how you can tear those apart. It means you would have to count the specimens to see which was the primary effect. I would like to point to another aspect of this, though. Tear gas is not lethal in an open field, but it is lethal in a bunker or a tunnel, right? When it is used to flush a person out of a tunnel and he dies in there, what is our qualification? Is this a lethal chemical weapon, or isn't it? So it seems to me that we're driving at a development of chemical weaponry which introduces the multiplexities of physiological effects, not only giving us a problem of definition, but also letting the matter get out of control again. It's out of control because it creates new dimensions of complexity. I'm sure we can develop weapons which attack several physiological dimensions as well as throwing fragments. So we can have a weapon which sprays a field with fragments and at the same time sprays chemicals into the area. Well, what are we going to call that weapon?

Member of the Audience: I would like to ask Dr. Pfeiffer how the U.S. classifies the FAE weapon. If it is classified as an incendiary, for example, is it not true that some nations have proposed a ban on all incendiaries including napalm? Is it not true that Sweden, for example, has proposed a total ban on all incendiary weapons?

Dr. Pfeiffer: I have a letter here from Adalyn Davis, Deputy Public Affairs Advisor of the U.S. Arms Control and Disarmament Agency. Concerning the CBU-55 or FAE, I am told that it is not

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considered a chemical weapon. The effects are caused by detonation of a fuel air mixture and the injury results from the effects of the blast rather than a poisonous property of the gaseous material. So, it is apparently classified as a conventional explosive.

Now, I have a question for Dr. Eyring. In your talk, sir, you mentioned your relationship with Dr. Rothenburg. That is Dr. Mortimer Rothenburg, director of research at Dugway, right? Okay. I visited Dugway many years ago, and learned recently that some of us have been banned from visiting that institution. Cy Hirsch is one of them. That is why I get into a question of our open society. I am very curious about the horses that died in your state recently, because I got very confusing responses from the officials concerned about what caused the horses to die. I think my concern is justified by the fact that about 7,000 sheep died there some time ago.

Dr. Eyring: I'd be glad to answer that question; I think it is a delightful one. Whenever you get permission to go through the armaments facilities in the Soviet Union, I will personally arrange for you to go through Dugway. I have no way of doing it, but I'll guarantee that whenever we are convinced that there is the same kind of openness in our potential antagonists, I think there will be no problem at all about arranging a visit to Dugway. Now with respect to the horses, I don't know whether anybody knows what happened to them, but I also don't know what happened to the veterans who died recently and mysteriously after a meeting in Philadelphia. I think you've pointed out that we are very susceptible to getting into trouble if we don't pursue such questions. I personally would be very unhappy with a defense department that didn't pursue as much as possible how horses die and how veterans die and how we can protect ourselves against the kind of disaster that happened on the western front with the introduction of chlorine. And so when we can make the other side an open society so you can go and visit and report back to us, and when you can know all the details about their work that you know about what we do, I shall be very happy to help you get into installations like Dugway. So you can talk about our limitations, which are very real, but compared to other societies, I think ours is relatively open.

Dr. Pfeiffer: I think the central issue, not discussed much so far, is whether the development, deployment, production, etc., of binary nerve gas weapons adds to or detracts from the security of the United States. It is quite conceivable that the Russians may have all the nerve gas they could possibly use, and that the proper American response is not to make nerve gases but to protect the United States and its allies. Now, why is this a concern? Not because somebody has conceived of binary weapons; that's an old idea. Nor is it a concern because somebody says, "appropriate 5 or 6 million dollars for development." It is a concern because lying behind the developmental step that has been proposed is a program that is worth 2 billion dollars in terms of modernization, replacement and new development. So the program we are considering, whether active yet or not, is the total question of chemical warfare armament. So we're asking, what is the best road with respect to this? Now there is no question that we should be able to defend against these things if there is no international control of them. If we engage in active chemical warfare development, production and deployment, can we possibly get a negotiated banning of these weapons? Our question is whether this is a secure step or are there alternative steps which are more secure?

Dr. Eyring: Could I answer that? I agree with everything that you've said. I'm not impugning our potential enemies regarding their willingness to end war, but I'm not sure we can bring this about without negotiating from a position of strength. You've raised a good question, but I think that in view of the history of the disaster on the western front, and considering all the things that Dr. Pfeiffer has pointed out with respect to how much damage these things do, we've got to be especially cognizant of the potential for chemical warfare in the world; it is something we've got to give great attention to. It is my opinion that we will get more response from the people that we'll have to negotiate with, if they see we're negotiating from a position where we know what is going on. I think we've got to look into what we should do, but it may be a sort of chemical Maginot Line, and that, of course, we shouldn't engage in. Anyway, it requires lots of study. I welcome this discussion; it clears the air, a very excellent thing.

Dr. Frank: I just want to make one quick response. Throughout the debates on arms control and national security policy, there is a very deep question related not just to chemicals but also SALT, MBFR, and so on; the question is, what really is adequate strength from which to negotiate? In the case of chemicals, the argument is offered that we have to negotiate from a position of strength, meaning that we ought to have large quantities of nerve gas of our own with which to then trade away. The problem with this approach is two-fold. First, we may acquire nerve gas and never trade it away; we may only trade away part of it, as we did, for example, in the case of ABM. And along with this acquisition goes a lot of expense. Secondly, and this is the critical point in the case of chemicals, in the process of acquiring a very marginal weapons system for the United States, we may give rise to concern on the part of lesser powers whose security needs and capabilities are very different from ours; we may encourage such nations as Argentina, Brazil, South Africa, Mozambique, Rhodesia, or Angola to think, "Well, maybe nerve gas is a solution to our security problems." This is an idea which, in the event that we don't go ahead and buy nerve gas, they will overlook or come to perhaps disagree with. The problem here is that to negotiate from strength you must first acquire the traditional measures of strength, and in doing this do you end up initiating an arms race in very marginal weapons systems? Now people may disagree with this analysis, but it's one that ought to be thought further about.

Mr. Andrew Frank: I'm a Councilor with the Puget Sound Section. We are committed to no first use of chemical weapons, be they the current conventional type, or binary. Hanging on Dr. Eyring's insistence that we be in a position of strength, I'm wondering what kind of a weapon we should be developing that is only to be used in retaliation, which essentially requires the weapon to be employed in a situation of adjacency. I don't think that the binary weapons are going to be suitable for intercontinental ballistic missiles, though I may be mistaken in that. The field deployment seems to be at the level of artillery. The danger for this country does not appear to be that of a situation in which we are subject to attack by adjacency. If we are to deal from a position of strength, do we in fact increase our strength when we equip ourselves with ineffectual weapons?

Dr. Eyring: That's a good question. Whether or not it's the thing to do, I think everybody would want to study it; it's an interesting point.

Dr. Pfeiffer: Ineffectual in what sense? In not being able to knock out the enemy?

Mr. Andrew Frank: As a retaliatory device for this country.

Dr. Pfeiffer: Are you presuming then that there would be no forward deployment of the weapon? Say in Europe? Yes? Okay, but it's clear that that's not what the plan is. The plan *is* for forward deployment, because weapons which are stored in the U.S. cannot effectively be used in Europe unless they're transported. The manner of transport is not at issue now.

Mr. Andrew Frank: The question of transport is, though, is it not?

Dr. Pfeiffer: I don't know. We still have forward deployment, at German bases, of nerve gases. Whether we will be permitted to continue, I have no answer.

Dr. Frank: One of the critical points that's raised is that if you think you need nerve gas to deter the use of nerve gas, do you want to buy what is essentially a lousy weapon simply so you can transport

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it, or do you want the best nerve gas you can buy?

Dr. Pfeiffer: Yeah, this is a point which has been raised. The binary is a less effectual weapon, and you have other weapons on hand. Under emergencies we could transport stuff to Europe if we had to anyway. It depends on what kind of posture you're talking about. Retaliation can take other forms, too. You know, you're going to meet the thrust on the field. You can plan your own use of these weapons. The retaliation doctrine doesn't require that you meet each weapon encountered on the battlefield with the same weapon, at that time. You've unearthed another characteristic of the situation—the countries that develop nerve gases, like the United States and the Soviet Union, develop the protective measures that go with it, and if they are used on middle grounds, it's the inhabitants, soldiers, and bystanders of the middle ground who will receive the full impact of the weapon.

Dr. Schubert: Since there are no further questions, we will adjourn until this afternoon, when somewhat different issues will be considered—the political implications of binary weapons, international negotiations to ban chemical weapons, and the effective prohibition of chemical warfare. I trust you'll all be here to share in these important and exciting things. Thank you.

Political Implications of the Binary Chemical Nerve Agent Weapon

Mr. George R. Berdes
Staff Consultant
House International Relations Committee

Mr. Chairman, ladies and gentlemen. I am sincerely honored by your kind invitation to be here today. From the perspective of Congress and political Washington in which I work, the subject of this panel is an important one, and I commend the American Chemical Society for once again including it in its agenda. Let me say at the outset, however, that while I work for the Congress, the views I express here are my own.

Concentrating as you are on the subject of the new binary nerve agent weapon is appropriate. To me, a non-scientist, it is in fact reassuring and satisfying that an organization such as yours is willing to go beyond the strictly limited scientific aspects of an issue and probe its social, political and moral implications.

My frustration in this area springs in large measure from the fact that I have to grapple daily with the end result of your collective genius, research, and study. I can understand and appreciate that to many of you a formula or a laboratory experiment is only that and nothing more. Too often, however, by the time that formula reaches my desk, a determined military research and development program has translated it into a deadly weapons system with political, social, and international security consequences.

I go into this matter briefly, and only by way of reflecting my view that scientists must come out of the laboratory and the classrooms in which they work. It seems to me that with the privilege of academic freedom and unfettered research comes the responsibility of recognizing the distorted and negative uses to which your work is so often placed. I am reminded, for example, that Leonardo da Vinci decided not to publish his 15th Century concept of what we now know as the submarine because "the design would be badly used." That, however, was an essentially negative decision. By contrast, what I urge is that scientists exert a positive influence on how their gifts to the world are applied.

It is in that spirit of positive application that I would like to frame the main body of my remarks this afternoon on the political implications of the binary nerve agent weapon, and I would like to begin by sharing with you a story—perhaps an apocryphal story, I don't know since I've never captured monkeys—about at least one method by which monkeys are trapped.

To capture a monkey, so the story goes, one begins with a coconut in which you drill a small hole and into which you pour some rice. The monkey comes along and squeezes his paw into the hole in the coconut; he grabs the rice and attempts to remove it. The problem, of course, is that his hand is now clenched in a fist around the rice and he is unable to remove it from the coconut. Whatever combination of greed, stupidity or hunger keeps him there, the end result is that he is captured and ends up in a zoo or in a laboratory.

I think that story reflects in many ways the reality of the current situation on the binary nerve agent and the political implications of any decision to go ahead with its procurement and development as a weapon system. Out of sheer obstinacy, animal instinct, or whatever, we will hold blindly onto the rice and as a result—an inevitable result—we will get caught.

Allow me to stretch this analogy just one more strained inch. What are the grains of rice that we want to hold on to? And, what will trap us if we continue to do so? In the answers to those questions lies the essence of my remarks this afternoon.

The argument around which the military has clenched its fist in attempting to justify the binary are well known. They have been reviewed at length in various congressional hearings and in House floor debate. I don't think it's necessary, therefore, for me to go into them in any great detail. Thus I will merely refer to them and comment briefly.

To help place that rationale in perspective, however, it is important to recall current United States policy on chemical warfare. As you know, that policy is based on the fundamental, long-standing principle of "no first use." Former President Nixon amplified that policy in 1969 when he renounced all biological warfare. At the same time, he reaffirmed our commitment of no first use of lethal weapons and extended it to incapacitating chemical weapons. At least on paper, it is also

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the policy of the United States to seek effective international arms control agreements in the chemical warfare area. I'd like to talk more about this later.

In my opinion, to the extent that the no first use policy essentially embodies the basic principle of the 1925 Geneva Protocol, it effectively serves the national security and foreign policy interests of the United States. Considering the sensitivity of CW weapons generally, a policy of no first use reflects what I think is a fundamentally moral position, pragmatic in effect, and complementary to overall national security.

An inherent corollary to the no first use policy, however, is that of retaining a chemical warfare capability in order to deter a CW attack by a potential enemy through the threat of "retaliation in kind." In short, while this nation will not initiate the use of such weapons, it reserves the right to retaliate in kind if such an attack should be made on U.S. forces. Consequently, to provide credibility to the policy of retaliation in kind, stockpiles of chemical weapons are maintained by the United States. In effect, those stockpiles are intended primarily as a deterrent; however, the United States policy of no first use clearly minimizes the inherent tactical advantage of that stockpile capability since that advantage necessarily rests with any nation *initiating* a surprise first use attack.

Against that background one of the Army's chief rationales for procuring the new binary weapons deals with the replacement of those stockpiles. As perceived by the military at least, the current CW stockpile is allegedly deficient and unsafe in handling, storage, and transportation. Moreover, the army contends that the stockpile of chemical munitions, including bulk storage, is inadequate both in quantity and quality for meeting projected requirements.

That contention has been discounted in evidence presented in hearings held by the Subcommittee on International Security and Scientific Affairs of the House International Relations Committee. The Subcommittee's report found that our current stockpiles are adequate. As a matter of fact, in terms of higher lethality, our current stockpiles of nerve agents have been calculated as providing a total target area capability four times greater than that possible in 1945 with older chemical weapons. The committee's report also found that our present stockpiles in artillery munitions were both secure in storage and ample in quantity.

On the basis of such compelling evidence, the committee reached several important conclusions:

First, springing from our policy of no first use, it recognized that an adequate and effective *defensive* posture against a potential chemical attack—as opposed to an offensive stockpile capability—is a *more* effective deterrent. Regrettably, however, for reasons known only to itself, the military persists in overlooking or underevaluating such a defensive posture. While there is ample evidence to suggest that the United States is carrying out an adequate program of research in CW defense, there is also evidence which suggests that the CW *defensive* posture of this country appears to be seriously lacking at the level of troop training and application.

Second, our Subcommittee further concluded that an enhanced U.S. deterrent CW stockpile could easily be interpreted by a suspicious potential enemy as a means of achieving a pre-emptive first strike. Thus, the potential enemy would engage in similar stockpiling, resulting in an arms race.

Mr. George R. Berdes is currently a Staff Consultant with the House International Relations Committee. He has had twenty years of experience as a reporter, editor, teacher, and writer. He received both his B.A. and M.A. degrees in Journalism from Marquette University, and in 1964 received the Milwaukee Press Club Gridiron Award for "the best story written during 1964 in improving cultural and intellectual relations between the U.S. and foreign nations." Mr. Berdes has also received study and travel grants from the Federal Republic of West Germany in 1963 and 1967, as well as a grant from the Center for the Study of the American Press at Marquette University, which resulted in his publishing a study called *Friendly Adversaries: The Press and Government*, dealing with Washington news gathering practices.

Third, the committee recognized that the modest sums first requested for procurement of the binary in the FY 1975 budget represented only a first step phase. Rather than the modest 5.8 million dollars originally requested for procurement, the committee concluded that the actual *ultimate cost* for procurement and disposal of existing stocks will more likely approximate 2 billion dollars.

Fourth, it is apparent that there is no firm position within the executive branch regarding the desirability of or the need for the binary system. In fact, a National Security Council study on this question has been underway for more than 4 years and no end is in sight yet.

Fifth, the committee noted that there is no evidence to indicate that the binary system has had adequate open-air testing. While simulant testing has been conducted, it does *not* offer precisely the same measure of proven worth and military effectiveness as does actual weapon testing. Further, the lack of such adequate open-air testing is contrary to established weapon standardization procedures prior to appropriating funds for procurement. By my raising of this question it should not be inferred that I am encouraging open-air testing. Rather, I am suggesting that the failure to open-air test the binary is indicative of some pressure within the Army to develop and procure a weapon under very unusual procedures—for reasons not adequately explained as yet.

Sixth, and most importantly, the committee recognized that a decision to go ahead with the binary would result in several serious political implications, the end effect of which could be highly detrimental to both the security of the United States and world peace.

Chief among the political implications of going ahead with the binary system is that the decision to do so will in all likelihood prove highly destabilizing to negotiations at the Conference of the Committee on Disarmament in Geneva, which are aimed at reaching a comprehensive international agreement to limit or ban chemical warfare. These negotiations have been underway since 1968 with, admittedly, little or no progress despite the added stimulus of two joint summit communiques in 1974 pledging the United States and the Soviet Union to seek such a CW arms control treaty.

A further important consideration regarding arms control and disarmament is that for too long, certain elements in Washington have regarded "arms control" and "disarmament" as dirty words. Given that perverse connotation, arms control negotiations have become associated in the minds of many with the idea of unilaterally disarming or other-

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wise "selling out" the United States. Nothing could be further from the truth.

By contrast, in my view, it is a fundamental principle that arms control and disarmament are basic components of national security. In fact, although it is still an early dawn, new and more enlightened members of Congress and even some members of the military are beginning to recognize that genuine and effective agreements to reduce arms can offer as much, if not *more*, real security than the latest multimillion dollar bauble suggested by the Pentagon. It is in that sense that the binary proposal is so highly destabilizing to the CCD negotiations in Geneva. Clearly the decision to go ahead with the binary will not only preclude the chance for such negotiations, but may inevitably lead us into a new and costly arms race, which will ultimately prove highly destabilizing to the United States and its security.

A second possible political implication of proceeding with the binary is that it would trigger a process of CW proliferation. A decision by the United States to adopt the binary inherently carries with it the increased risk of other countries doing the same thing. Failing in our own position of moral leadership, the United States would lower inhibitions against CW and correspondingly accelerate CW assimilation. Because the technology is simple and relatively easy to obtain, this would be particularly true of underdeveloped, third world nations. Since actions always speak louder than words, we would be telling the rest of the world that the binary has military value and thereby open the floodgates for its adoption the world over.

What that prospect in turn points up, of course, is the resulting and compounded difficulty of achieving a comprehensive CW treaty. In this same connection, once the program is started the likelihood of halting or limiting it in the future is greatly diminished. Therefore, the implementation of the binary raises the high risk of locking U.S. security more deeply and perhaps irrevocably into an even more complex and dangerous vicious circle policy of deterrence, counterweapons, deterrence, and more counterweapons.

The third political implication I see coming from any decision to proceed with the binary reflects the interlocking relationship of all these issues. I've already discussed the potential destabilizing effects on negotiations at CCD. One key reason those negotiations have been deadlocked for more than eight dreary years is the question of verification. Briefly, the argument goes something like this: since we cannot effectively verify compliance with any CW treaty short of on-site inspection, we could never be assured that other parties to the treaty were not cheating. Since the Soviets will not agree to on-site inspection, we cannot achieve adequate verification and therefore cannot have a treaty. Obviously, therefore, a resolution of the verification issue is absolutely critical to the successful completion of such a treaty at CCD. Clearly, there are legitimate and complex technical problems in the area of verification which increase the challenge of reaching an agreement. At the same time, however, it is clear that there is a political-military dimension to this issue of verification which, with proper motives and initiative, *could* offer a key to solving the problem.

To understand this issue properly one must appreciate the extent to which military considerations and military advice influence political decisions made in Washington. Because of the increasing complexity of highly technical weapons systems and because of the inordinate secrecy surrounding them as well as the limited and sometimes selective information provided the Congress, one might go so far as to say that the military can often dominate the political decision-making process.

In applying that reality to the binary one must begin with the fact that the binary would make a solution to verification virtually impossible. As you know, the current version of nerve agent allows for easy definition and identification since its agents are combined in a single product with an important use only as a warfare agent. But when these agents are separated, as they are in the binary, and when one realizes that one of these agents is in and of itself relatively benign, the verification problem becomes a no-win situation.

In short, by promoting the binary the military compounds the verification issue and thereby guarantees the failure of the treaty-seeking effort. What one ends up with, of course, is a rather simple vicious circle of self-fulfilling prophecy.

The final political implication I see stemming from the binary relates to the Army's policy of forward-based deployment of necessary weapons. In other words, the material has to be near at hand in order to be used effectively and serve its intended purpose. Obviously, a policy of deterrence and retaliation in kind is meaningful only to the extent that we can respond promptly to another country's use of chemical weapons. That policy is clearly meaningless when military forces have to wait for what may be days before supplies are available. The policy of retaliation in kind is credible only to the extent that our current nerve gas stocks are held in forward-based areas, especially in the countries of our NATO allies. However, there is considerable and legitimate doubt regarding the willingness of our NATO allies, West Germany in particular, to accept supplies of binary weapons as replacements for those stocks now in Europe. Should that resistance materialize it would obviously jeopardize the necessary advantage of forward-based deployment and undermine our policy of retaliation in kind. In the process, we would also run the risk of adding weight to our already strained relations with NATO.

In their cumulative impact, the political implications just described indirectly point up an additional factor surrounding the binary which I believe is worthy of your consideration. What that factor reflects in a rather fascinating and interesting way is the narrow basis on which this country sometimes exercises its decision-making process on new weapon systems. Reinforcing it is the Pentagon's hard monopoly on information surrounding those systems, and its constant, stubborn reluctance to share this detailed and accurate information with the Congress.

One must begin with an understanding of internal defense department procedures, especially the relationship between middle-level bureaucrats and the office of the Joint Chiefs of Staff. As it relates to the binary I have a gnawing hunch that no more than six or seven middle-level bureaucrats are promoting the binary in a furious attempt to justify their existence. The position papers they generate go up the chain, become duly initialed at each step, and ultimately, of course, find their way into the Defense Department budget. Obvious lacking in that regrettably restricted base of decision-making is a *balanced appraisal* of the tactical and strategic implications of CW weapons, based on their over-all value to our national security.

I think that the research and development of chemical weapons, and most importantly, the decision of whether or not to add them to our arsenal, must be based on how such weapons fit into a *broad* U.S. national security framework, not merely within the context of an isolated tactical problem. Simply stated, the question is this: does the binary represent a positive and necessary part of our national arsenal, and will it help deter CW warfare?

Over the past two or three years, Congress' answer to that question has been a clear *no*. That "no" has been qualified to the extent that the Congress has repeatedly delayed funding for the binary while hoping that progress at CCD in Geneva on a comprehensive treaty would make the binary unnecessary. Nevertheless, Congress has repeatedly and emphatically said no to the binary, because it has recognized the serious political implications of the decision to go ahead with it. However, against Congress' position in this area is the vicious circle problem described earlier. To the extent that the verification question is unresolved, the chance of reaching

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a treaty agreement is minimal at best, and will be made even more difficult if not impossible by adoption of the binary.

The most recent Congressional actions on the binary weapon were essentially the same for both FY 75 and FY 76. In summarizing the results of those actions it should be noted that the issues on chemical warfare and biological defense research programs as dealt with in Congress are somewhat confusing. In large measure this confusion was generated by the way in which the military programmed a series of actions related to the development and procurement of the binary program.

In Public Law 95-106, Section 818 (The Department of Defense Appropriations Act for 1976), the Army was specifically forbidden to use any of the funds provided for the purpose of producing lethal binary chemical munitions. However, that congressional restriction did not specifically preclude the Army from constructing facilities at Pine Bluff Arsenal for assembly of binary weapons. Thus, in order to close that door, Congress had to act once again in the form of an amendment to the Military Construction Authorization Act (H.R. 5210, P.L. 94-107), which was adopted by a vote of 219 to 185.

Those two actions removed the money for both construction of the facilities and the procurement of material for the binary weapon. However, money was approved for continued research, development, testing, and engineering (RDT&E) *and* for general defense and toxic agent RDT&E. In addition, and as a reflection of the value and importance it attached to an improved CW *defense* posture, the Congress also directed the Army to strengthen its CW defense procurement programs.

Having suffered two successive setbacks, a very unusual pattern I might add, the Army apparently concluded it had had enough for the moment and did not request money either for modification of facilities or for procurement of binary material in the FY 77 legislation. However, I am almost certain that the issue will be reopened in the FY 78 legislation if no progress is made at Geneva. In fact, the language in the congressional reports relating to the previous funding requests specifically indicates that the postponement of the binary was temporary and that the issue would require reconsideration after reviewing the CW treaty negotiations at Geneva.

From all I've said here this afternoon one could, I suppose, get the impression that I am an opponent of the binary. That is not necessarily true. More accurately, I am not so much opposed to the binary as I am in favor of a truly balanced, effective, and strong U.S. national security. In that sense I share, very ardently as a matter of fact, Dr. Eyring's bias for our system. It is the best. But it is in that sense also that I see the binary as potentially detrimental to U.S. national security. It is in that sense also that I reject the often simple-minded adversarial thinking in Washington which tends to see all issues as an either/or confrontation. Rather, I and many others who express doubts and reservations about the binary, realistically recognize that the United States does have enemies and that to counteract their threat we must have the most efficient defense possible—a defense produced by an enlightened, an open and an intelligent policy-making process.

For too long those who have advocated effective and meaningful arms control and disarmament negotiations have been written off as unilateral disarmers. My contention is that the unilateral disarming of the United States is, in fact, taking place at the hands of officials who through extravagance, mismanagement, waste, and recurring cost overruns have led us down the gold-plated path too often. In my view, the binary is a further tragic step along that path. Thank you.

International Negotiations to Ban Chemical Weapons

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The Geneva Protocol, 1925

Chemical and biological methods of warfare have always been regarded with a particular sense of horror. Even the Romans disapproved of the use of such weapons under the maxim that "War is waged with weapons not with poison" (*Armis bella non venenis geri*). In modern times repeated efforts have been made to outlaw chemical and biological weapons (CBW). The Hague Conventions of 1899 and 1907 prohibited the use of poisons and poisoned bullets, and the former also condemned the use of projectiles whose sole purpose was "the diffusion of asphyxiating or deleterious gases."

The first large-scale use of chemical weapons was in World War I when at least 125,000 tons of toxic gases were used which resulted in some 100,000 deaths and about 1,300,000 casualties. It became clear however, with both sides using gas and also gas masks for protection, that chemical weapons, after the initial surprise attack, were not very effective and gave little or no advantage to the user. The universal revulsion against the use of these weapons led to the adoption of the Geneva Protocol of 17 June 1925 (the sole surviving disarmament measure of the League of Nations). The Protocol prohibited "the use in war of asphyxiating, poisonous or other gases and of all analogous liquids, materials or devices" and also "the use of bacteriological methods of warfare."

The language of the Geneva Protocol appears to lay down an absolute ban against the use of CBW in war. However, it is in reality only a non-first-use ban (its provisions apply only with respect to other parties to the Protocol, and not against non-parties, and nearly all parties reserved the right to use these weapons in retaliation against any party that initiated their use).

Although the Geneva Protocol was presented by the U.S. delegation and was signed by it after its adoption, the U.S., almost alone among all the important powers, failed to ratify the Protocol, due mainly to the opposition of the military establishment which regarded CBW, in particular CW, as having real military value as an effective and useful battlefield weapon.

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The U.S. government also regarded the use of tear gas and herbicides as not banned by the Geneva Protocol, whereas most countries considered these weapons as banned in warfare but not when used for strictly civilian purposes (e.g., riot control and weed killers respectively).

The question of U.S. ratification of the Protocol lay dormant for many years. President F. D. Roosevelt drew attention to the Protocol as established international law in World War II when he warned Nazi Germany not to use CBW and threatened retaliation if it did. While many scholars feel that public opinion and international norms of conduct may have played some role in restraining Germany from using CBW in World War II, the majority opinion is that Germany did not use these weapons, despite its development of nerve gases, because of their very low military effectiveness and because of fears of massive retaliation by the Allied Powers who began to capture control of the air in 1942-43. It did, however, use chemical agents in the gas chambers against prisoners in concentration camps. Even though it did not ratify the Geneva Protocol until 1975, the U.S. on a number of occasions announced that although it was not a party, it would observe and be guided by the principles and objectives of the Geneva Protocol. Apart from the use of chemical agents in concentration camps by Nazi Germany in World War II, there was no significant use of lethal chemical weapons after World War I except by Italy in Ethiopia in the 1930s and by Egypt in Yemen in the late 1950s.

Since the time of the adoption of the Geneva Protocol in 1925 (which did not prohibit the development, production or possession of CBW), new and much more lethal toxic compounds have been developed, such as nerve gases which present a much greater threat of mass fatalities. The threat is not limited to military personnel; in fact, it poses an even greater danger to civilians since it is practically impossible to provide adequate protection to the latter and to plants, animals and essential food crops.

Recent Developments Concerning a Ban on CBW, 1966-1972

The question of CBW use in warfare became a live issue in the late 1960s because of the massive use by the United States of tear gases and herbicides (including defoliants) in Vietnam. The Communist countries called on the U.S. to stop the use of these CW and to ratify the Geneva Protocol. The Western countries, including the allies of the U.S., were somewhat embarrassed by the whole issue and by U.S. insistence that the use of tear gases and herbicides was not banned by the Geneva Protocol. The U.S. Senate Foreign Relations Committee refused to advise and consent to U.S. ratification of either the 1925 Geneva Protocol or the Biological Convention because it disagreed with the official U.S. position that tear gases and herbicides were not banned by the Protocol.

The United Nations General Assembly in December 1966 called on all states to strictly observe the principles and objectives of the Geneva Protocol, condemned all actions contrary to those objectives and invited all states to accede to the Protocol. In December 1968, the General Assembly repeated its call for all states to accede to the Protocol and requested the U.N. Secretary-General to prepare a report, with the assistance of qualified experts, on CBW and the effects of their possible use. The Assembly was concerned not only by the development of new, more dangerous types of CB agents, but also because they were weapons of mass destruction which could become the equivalent of the poor country's atom bomb. As the Secretary-General noted, "Almost all countries, including small ones and developing ones, may have access to these weapons, which can be manufactured quite cheaply, quickly and secretly in small laboratories or factories."

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A group of 14 international experts studied all aspects of CBW and produced a report embodying the group's unanimous findings and conclusions. These were, in part, as follows:

> "Because chemical and bacteriological (biological) weapons are unpredictable, in varying degree, either in the scale or duration of their effects, and because no certain defence can be planned against them, their universal elimination would not detract from any nation's security. Once any chemical or bacteriological (biological) weapon had been used in warfare, there would be a serious risk of escalation, both in the use of more dangerous weapons belonging to the same class and in the use of other weapons of mass destruction. In short, the development of a chemical or bacteriological (biological) armoury, and a defence, implies an economic burden without necessarily imparting any proportionate compensatory advantage to security. And, at the same time, it imposes a new and continuing threat to future international security.
>
> "The general conclusion of the report can thus be summed up in a few lines. Were these weapons ever to be used on a large scale in war, no one could predict how enduring the effects would be and how they would affect the structure of society and the environment in which we live. This overriding danger would apply as much to the country which initiated the use of these weapons as to the one which had been attacked, regardless of what protective measures it might have taken in parallel with its development of an offensive capability. A particular danger also derives from the fact that any country could develop or acquire, in one way or another, a capability in this type of warfare, despite the fact that this could prove costly. The danger of the proliferation of this class of weapons applies as much to the developing as it does to developed countries.
>
> "The momentum of the arms race would clearly decrease if the production of these weapons were effectively and unconditionally banned. Their use, which could

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cause an enormous loss of human life, has already been condemned and prohibited by international agreements, in particular the Geneva Protocol of 1925, and, more recently, in resolutions of the General Assembly in the United Nations. The prospects for general and complete disarmament under effective international control, and hence for peace throughout the world, would brighten significantly if the development, production and stockpiling of chemical and bacteriological (biological) agents intended for purposes of war were to end and if they were eliminated from all military arsenals."

The Secretary-General accepted the unanimous report in its entirety and urged the Members of the United Nations to undertake the following measures:

"1. To renew the appeal to all States to accede to the Geneva Protocol of 1925;

"2. To make a clear affirmation that the prohibition contained in the Geneva Protocol applies to the use in war of all chemical, bacteriological and biological agents (including tear gas and other harassing agents) which now exist or which may be developed in the future;

"3. To call upon all countries to reach agreement to halt the development, production and stockpiling of all chemical and bacteriological (biological) agents for purposes of war and to achieve their effective elimination from the arsenal of weapons."

The report was considered by the General Assembly, and in December 1969, by an overwhelming vote of 80 to 3 (including the United States), with 36 abstentions, it adopted a resolution submitted by all the nonaligned members of the Geneva Conference of the Committee on Disarmament (the CCD). That resolution declared "as contrary to the generally recognized rules of international law, as embodied [in the 1925 Geneva Protocol], the use in international armed conflict of:

"(a) Any chemical agents of warfare—chemical substances, whether gaseous, liquid or solid—which might be employed because of their direct toxic effects on man, animals, or plants;

"(b) Any biological agents of warfare—living organisms, whatever their nature, or infective material derived from them—which are intended to cause disease or death in man, animals or plants, and which depend for their effects on their ability to multiply in the person, animal or plant attacked."

BW Convention Proposed

In the meantime, three important developments took place in 1969.

First, in July 1969 the United Kingdom presented a draft Convention for the Prohibition of Biological Methods of Warfare, which went beyond the ban on the use of such weapons in the Geneva Protocol by also prohibiting the production or acquisition of these weapons and providing for their destruction and elimination. (In 1970, it extended the ban to include toxins.)

Second, in September 1969 the Soviet Union and 8 of its allies presented a draft Convention on the Prohibition of the Development, Production and Stockpiling of Chemical and Bacteriological (Biological) Weapons and on the Destruction of Such Weapons, which provided for the complete elimination of both C and B weapons.

Third, in November 1969, former President Nixon announced the unilateral renunciation by the U.S. of "the use of lethal biological agents and weapons and all other methods of biological warfare" and that existing stocks of these weapons would be disposed of. The President also reaffirmed the renunciation of the first use of lethal chemical weapons and extended this renunciation to the first use of incapacitating chemicals. He also announced that he was asking the U.S. Senate for its advice and consent to ratify the Geneva Protocol and that the U.S. would support the United Kindgom draft convention to ban all BW. It will be noted that the U.S. was, by these actions, undertaking unilateral measures of disarmament in the field of CBW.

During 1970 and part of 1971, the Soviet Union, its allies and the nonaligned countries continued to insist on dealing jointly with both C and B weapons and providing for their elimination in one convention. The U.S., U.K. and their allies thought that there were inherent differences between C and B weapons and that it required much more study before an agreement could be negotiated on CW. They urged that agreement should be reached as soon as possible on a convention to eliminate all BW.

Finally, the U.S.S.R. and its allies agreed to accept the U.K./U.S. approach and to agree, as a first step, to the ban on BW. In March 1971, they presented a draft convention that provided only for the elimination of BW.

After further negotiations at the Geneva Conference of the Committee on Disarmament, in September 1971 agreement was reached on the text of a Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction. This text was approved by the General Assembly in December 1971 by a vote of 110 to none with 1 abstention, and the Convention was opened for signature on 10 April 1972. It entered into force on 26 March 1975.

At the same time the General Assembly adopted two more resolutions on the subject. The first resolution, adopted by the same vote as that on the Biological Convention, noted that Article IX of the Convention affirmed the recognized objectives of the effective prohibition of chemical weapons and an undertaking to negotiate in good faith for an early agreement to eliminate current stockpiles, and called on the CCD to continue its negotiations, as a matter of high priority, for an early agreement on a chemical convention. The second resolution, adopted by a vote of 101 to none, with 10 abstentions (including the United States) urged all states, pending agreement on the elimination of chemical weapons, to refrain from any further development, production or stockpiling of those CW which had the highest lethal effects.

Features of the BW Convention

There are several noteworthy features of the Biological Convention. Agreement on its conclusion was undoubtedly facilitated by the unilateral action of the United States in undertaking a real disarmament measure (in the sense of destroying and eliminating existing weapons). It is hoped that this unilateral act of disarmament by the U.S., which led to reciprocation by the U.S.S.R. and to a signed treaty, can become a precedent for further unilateral actions in the field of arms control and disarmament.

Another noteworthy feature is that the Convention provided in Article 2 that each State Party would destroy all agents, toxins, weapons, equipment and means of delivery within nine months after the entry into force of the Convention. The U.S. duly notified the CCD that it had destroyed its stocks of BW, and the U.S.S.R. and U.K. reported that they did not possess any. No question was raised about the accuracy of these reports.

However, the Convention did not provide for any means of verification; the parties merely agreed in Articles 5 and 6 to consult and cooperate in solving any problems that might arise, and that any party could complain to the United Nations Security Council in case of some breach of obligations. The parties ap-

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parently decided that it was safe to conclude the Convention without providing for any inspection or control.

Finally, it will be noted that the Convention contains a withdrawal clause (Article 13) that is now customary in arms control treaties, and a clause (Article 12) for a review conference to be held within 5 years (i.e., by March 26, 1980) to assure that the purposes of the Convention, including the provisions concerning chemical weapons, are being realized.

Current Negotiations to Eliminate Chemical Weapons

Developments in 1972

After the approval of the BW Convention, CCD attention focused on questions about the scope of a CW ban and on the verification required.

On 28 March 1972, the U.S.S.R. and its allies at the CCD tabled a draft convention on the prohibition of chemical weapons along the lines of the BW Convention. Using the so-called "purpose criterion," the draft convention proposed a comprehensive approach to the problem by completely prohibiting all chemical agents that could be used as weapons of war. Concerning control and verification, it provided for the same international procedures as the BW Convention, which meant very little in actual practice.

In introducing the draft, the U.S.S.R. stressed that due to the interrelationship between military and peaceful production of chemical agents, a system of purely international controls was not possible, and that there should be a reasonable combination of national and international forms of control.

The draft convention was generally well received by non-aligned members of the CCD. On the other hand, the U.S., supported by some other Western members, held that it was premature to decide which provisions (including provisions on verification and control) might be included in an agreement banning chemical weapons; the CCD should first reach an understanding of the best way to handle the underlying problems.

Concerning the scope of the activities and agents to be banned, the United Kingdom wondered whether it would be possible to achieve a CW ban in two stages: first, the elimination of stockpiles with a freeze on production, and second, the elimination of productive capacity. Brazil also stressed that in order to achieve an equitable balance with countries that had no CW, the first stage of a comprehensive prohibition should be the elimination of existing stockpiles, and the cessation of production verified by direct international methods, while the second—in which indirect methods of verification might become politically acceptable—would be the prohibition of development and production.

Concerning verification, a number of Western members stressed that there should be a strict proportion between the scope of the prohibition in an agreement and the means of verification. They considered that one should either accept the need for international on-site inspection, with all the practical and political problems involved, or decide what measures might be agreed upon without the assurances such inspection could provide.

At the 1972 session of the General Assembly, many members again stressed the need for a comprehensive approach to a chemical weapons ban. Several members also held that the complexity of the verification problem should not prevent an immediate elaboration of a draft agreement. They maintained that a system based on a combination of suitable national and international measures should be acceptable. The Socialist countries stressed that their own draft convention could serve as a basis for concrete negotiations. The United States held that the scope and verification of the ban were the central problems.

Finally, a draft resolution was adopted by the General Assembly on 29 November 1972 by 113 votes to none, with 2 abstentions (China and France), similar to the resolution adopted the previous year calling on the CCD to give high priority to negotiating a CW ban.

Developments in 1973

The Soviet Union and other Socialist members emphasized that, while their draft was a basis for negotiations, they were ready to consider any other proposals aimed at achieving the desired goal.

The non-aligned members of the Committee [Argentina, Brazil, Burma, Egypt, Ethiopia, Mexico, Morocco, Nigeria, Sweden, and Yugoslavia] continued to call for a comprehensive ban on chemical weapons.

The United States held that the verification articles of the Socialist draft convention did not provide for effective international control. On the other hand, the Soviet Union continued to oppose on-site inspections, adding that the insistence of some members on impractical control measures blocked progress. Canada and the Netherlands held that the CCD should give thought to an initial partial measure. The ten non-aligned members, on the other hand, continued to oppose partial measures which they felt would discriminate against countries that did not possess any chemical weapons.

Japan stated that provisions for on-site inspections would be necessary in a comprehensive ban and that if such inspections could not be accepted, it would be necessary to turn to other possibilities. Japan proposed that agreement be reached on a convention calling for a comprehensive ban on all chemical agents that might be used for weapons purposes, but also including a supplementary document temporarily limiting the overall ban to the development and production of super-toxic chemical agents (but not providing in the first stage for their destruction). Meanwhile, effective verification measures would be worked out to make possible a ban on less toxic agents and on all chemical weapons stockpiles. Verification measures, under this arrangement, would consist of a combination of national and international means, involving an international verification organization and "inspection by cooperation." The Japanese proposal was favourably referred to by both the U.S. and the U.S.S.R.

At the 1973 session of the General Assembly, the U.S. explained that it had not submitted a concrete proposal to the CCD because it had been unable to devise one which would be advantageous to all parties concerned. The United Kingdom stressed that there must be effective international control, a feature which was more essential for a ban on chemical weapons than for the BW Convention. France favoured a comprehensive prohibition of chemical weapons, but only on the condition that the prohibition be accompanied by effective international control. China stressed the need for the complete ban and thorough destruction of chemical and biological weapons, and stated that the Soviet Union and the United States were using the problem to cover their real intention of continuing the arms race.

The General Assembly finally adopted, by 118 votes to none, a resolution similar to the ones adopted in 1971 and 1972. China and France did not participate in the vote.

Developments in 1974

On 30 April 1974, Japan submitted a draft CW Convention extending and elaborating in treaty form the proposal it had made in 1973 for a phased approach to a ban on chemical weapons.

Articles I to III provided for a comprehensive ban on the development, production, stockpiling and transfer of all chemical weapons. All existing weapons would be destroyed as soon as possible under international observation (this was an extension of the original Japanese proposal the previous year). Article IV provided for the temporary exclusion from the ban of certain less toxic agents, to be

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listed later in Annex I, while Article XIII pledged that negotiations would continue for the early elimination of the agents temporarily excluded. Articles V to X provided for the creation and operation of an International Verification Agency (IVA) to which national organs would report in accordance with provisions contained in Annex II to the draft. The Agency would (a) observe all destructions and diversions of CW to peaceful uses, (b) consider reported violations, and (c) conduct on-site inspections of a suspected party by invitation or acceptance. The details of the composition and functions of the agency would be provided for in Annex III. Article XI provided for assistance to any party which had been exposed to the danger of chemical weapons.

Japan noted that the scope of the ban in its draft convention was based on the purpose criterion; there appeared to be no objection to including super-toxic organophosphorus compounds in the scope of an immediate ban, and it urged that mustard-type agents also be banned immediately.

The Soviet Union pointed out that the Japanese draft did not give any definite answer to the question of what the exceptions and exclusions might be, a view that was shared by other Socialist and some non-aligned members.

The United States held that the gradual approach embodied in the Japanese draft convention was consistent with the basic principle upheld by the United States, and that the scope of the ban on chemical weapons could be progressively broadened. The United States asked for clarification as to whether the treaty envisaged negotiation of further agreements (including those on effective verification measures) for the destruction of stockpiles, and for reduction of the list of exempted agents.

With respect to the scope of the proposed convention, a number of members asked how binary weapons (i.e., weapons containing two or more non-toxic chemical agents which mix to become toxic while travelling towards the target) would be dealt with, and also whether and how their non-toxic components would be banned.

A number of members commented extensively on the general problem of verification and on the international system of control. The United Kingdom noted that the Japanese suggestion for the establishment of an IVA, with an independent standing and the right to initiate a number of significant actions, was an interesting idea which needed to be developed further. Canada was not convinced that a comprehensive ban, as well as an interim ban, could be adequately verified through a "challenge system" such as that proposed in the Japanese draft. Sweden thought that the Soviet draft convention, without provisions for international verification, could not be regarded as having any greater value than equivalent unilateral declarations. Moreover, it could not share the opinion expressed by some delegations that international inspection of the destruction of chemical weapons would lead to disclosure of industrial secrets. The U.S.S.R. referred to the difficulties that would arise from international verification of research on and production of chemical agents, especially those of a dual-purpose nature. In the opinion of the U.S.S.R., international verification of the cessation of the development, production and stockpiling of chemical weapons was impractical.

In the meantime, in July 1974, agreement in principle was reached by the U.S.S.R. and the U.S. at the Moscow Summit meeting to consider a joint initiative in the CCD "with respect to the conclusion, as a first step, of an international convention dealing with the most dangerous, lethal means of chemical warfare." All speakers commended the intended joint initiative as a positive contribution.

The 1974 session of the General Assembly again adopted a resolution similar to that adopted at the previous session.

Developments in 1975

On 22 January 1975, the U.S. government signed the instruments of ratification of the Geneva Protocol of 1925 and the Biological Weapons Convention. In connection with the Protocol, President Ford, while reaffirming the U.S. belief that the Protocol did not extend to riot control agents and chemical herbicides, renounced as a matter of national policy the "first use of herbicides in war except use for control of vegetation within U.S. bases and installations, or around their immediate defensive perimeters;" and the "first use of riot control agents in war except in defensive military modes to save lives, such as against rioting prisoners, to reduce civilian casualties, on rescue missions, etc."

On signing the instrument of ratification of the BW Convention, President Ford stated that the U.S. had destroyed its stockpike of biological and toxin agents and weapons and that biological warfare facilities had been converted to peaceful uses.

The CCD welcomed the entry into force, on 26 March 1975, of the Biological Weapons Convention, and also welcomed its ratification by the necessary 22 states including the U.S.S.R., U.K. and U.S. Those states which had not yet adhered to the Convention were urged to do so. Many members of the Committee also welcomed the ratification by the U.S. of the Geneva Protocol of 1925, and regarded these developments as propitious circumstances for achievement of a ban on chemical weapons. However, the CCD did not achieve any substantive progress through the 1975 session.

At the 1975 session of the General Assembly, discussion of a CW ban was along the same lines as that in 1974, and the provisions of the resolution adopted at this session were almost identical to those of the previous ones.

Developments in 1976

At the 1976 session of the CCD, many members regretted that the promised U.S./U.S.S.R. joint initiative for an agreement prohibiting the most dangerous, lethal means of chemical warfare had not materialized. Sweden in particular emphasized that the joint initiative had lost its credibility, and urged the CCD to make a fresh start towards a ban on chemical weapons.

Poland suggested that the CCD should go back to its original comprehensive approach to the problem on the basis of the documents already submitted, including the 1972 draft convention of the Socialist countries and the 1974 draft convention of Japan. The Federal Republic of Germany, pointing to the complexity of the issues involved in a CW ban, particularly the still unresolved question of verification, held that an all-or-nothing approach was not helpful and the only alternative was to adopt a step-by-step approach, aiming at the ultimate goal of a comprehensive ban.

The U.S., in a detailed statement, drew attention to the important relationship between scope and verification, and stressed that it was not possible to accept unverifiable control in the field of CW, and discussed the scope of a ban on both agents (types of CW) and activities (development, production and stockpiling), and the verification measures required for each. The U.S. outlined various possible solutions already expressed in the CCD, but rejected all of them as unverifiable except for a ban on the production of lethal CW agents with or without a phased stockpile destruction. The U.S. indicated that such a ban might cover all lethal chemical weapons, and favoured a phased destruction of stocks in absolute amounts rather than by percentages. A production ban could be verified by a combination of techniques including verification by challenge and preferably some madatory on-site inspections. Verification of stock destruction must include on-site observation. It would also be useful, the U.S. noted, to have the general assistance of an international treaty authority, such as a small consulta-

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tive body of parties to the treaty with staff provided by the Secretary-General of the United Nations. The U.S. would continue to work out a joint initiative on a CW ban with the U.S.S.R.

Later, the U.S. expressed its interest in exploring with other members possibilities for technical exchanges, including the feasibility and utility of exchange visits to selected chemical production and disposal facilities in different countries. It noted that such facilities need not actually be involved in the production or disposal of chemical warfare agents, as long as the chosen facilities were relevant to CW verification.

Importance of Verification

On 29 June 1976, the U.S. introduced three working papers. The first paper, concerning verification, detailed the preliminary results of the U.S. evaluation of possible methods for on-site monitoring of destruction of declared stockpiles. It explained techniques of on-site observation, such as using cameras, tamper-indicating seals, sampling of the agent stream and air sampling. The U.S. believed the described procedure would insure that the nature and quantity of materials destroyed were as represented; at the same time the procedure could be carried out in a manner that would be reasonably unobtrusive. The second paper described in more detail several types of seals, cameras and sensors that had been developed for safeguarding nuclear facilities, which could be used not only to assist on-site observers in monitoring destruction of declared CW stocks, but also to monitor a ban on production of CW agents. The third paper reviewed the various proposals made for defining chemical warfare agents and noted that substantial agreement already seemed to exist.

Canada favoured a phased approach to the destruction of stockpiles which would allow states possessing CW stockpiles to retain some of their stocks for deterrent purposes in an interim period. During this interim, confidence in a CW treaty could grow, and efforts could be made to solve the verification problems involved in the destruction of all remaining CW stockpiles.

Japan said that a ban on the development of CW was not practicable and that it might be desirable to ban production first. However, it agreed that a reduction of agreed amounts of stockpiles could be undertaken in the first stage, to be followed by the eventual destruction of all stockpiles.

Japan proposed to supplement the purpose criterion by using the lethal dose method of comparing toxicity among various chemical substances, and suggested the formulation of a LD 50 spectrum for the purpose of delimiting the CW agents to be banned; Japan thought the work should be entrusted to a neutral international body such as the World Health Organization (WHO).

The U.K. expressed its intention to table a draft convention which would combine with its own ideas the elements of previous drafts which the U.K. considered constructive and realistic. This announcement was welcomed by members of all three groups of states.

The U.K. submitted a working paper which discussed the feasibility of extra-territorial surveillance of CW tests by air monitoring at the border of a country. It concluded that detection of a field test by instantaneous monitoring of the air at a national boundary was not feasible at a distance of 10,000 km from the source and could probably not be achieved beyond a distance of 500 km.

The German Democratic Republic held that the questions of control were overestimated by some members of the CCD, and stated that it was against demands aiming at an exaggerated "perfectioning of control."

Yugoslavia also submitted two working papers. In its first paper, on medical protection against nerve gas poisoning, Yugoslavia noted the enormous discrepancy between the efficiency of nerve gases and of available defensive counter-measures, but felt that with continuing research reasonably effective medical protection might become feasible in the near future. It called for international coordination of scientific research in this field and suggested that increased knowledge of medical countermeasures against nerve gas poisoning would promote the bringing about of an international CW ban.

In the second paper, Yugoslavia considered the following possibilities for the categorization of binary components: (1) binary components of which none had peaceful application (chemical warfare binary components); (2) binary components, one of which might also have peaceful application (chemical warfare binary component plus dual purpose binary component); and (3) binary components, both of which might also have peaceful applications (dual purpose binary components). Yugoslavia held that as binary technology offered the possibility of widening the assortment of CW, a large number of "peaceful" chemical compounds must be brought under control.

Sweden welcomed the Yugoslav working papers as worthy of serious consideration.

The United States noted the similarity of views on the question of deciding which agents would be subject to limitation or prohibition. The principal conclusions from the United States' review of this question were: there appeared to be broad support, perhaps even a consensus, for incorporating a general-purpose criterion in any CW agreement; the use of toxicity as an additional criterion had general applicability and had received broad support; and finally, the applicability of the other suggested approaches was less general.

3 Working Papers Introduced

The U.S. also noted that there was general recognition of the importance of verification questions, but no consensus on their solution. The U.S. believed that a programme of technical exchange visits could facilitate a solution if a number of countries participated and if various types of facilities used for detoxification of CW agents were visited. It hoped that technical exchange visits could begin early in the fall of 1976.

The U.S. suggestion of technical exchange visits was supported by many Western and some non-aligned members, who thought such visits could serve as a confidence-building measure.

Socialist members considered that technical discussions could not advance decisively the solution of the CW problems. Mongolia stressed the need for political negotiations.

On 12 August 1976, the U.K. tabled a draft Convention on the Prohibition of the Development, Production and Stockpiling of Chemical Weapons and on Their Destruction.

The U.K. draft convention was comprehensive in scope; it banned all lethal chemical agents used for military purposes, and banned the development, production and stockpiling of such agents. The ban would be phased in its application. In the first stage, states signing the convention would provide information on both their stocks of CW agents and their production facilities, actual or potential, and would stop any further production of CW. The next stage would be ratification of the convention by an agreed minimum number of states, at which time further provisions would come into force. The third and final stages, which could last several years, would require either phased destruction of CW stockpiles or their conversion to peaceful uses. A consultative committee composed of states party to the convention would be established for the exchange of information, for control purposes, and for overseeing the working of the convention. The destruction of stockpiles would be undertaken under international on-site verification in accordance with arrangements agreed to by the consultative committee.

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The draft contained a number of novel features, such as (1) the obligation for each party to give, at the time of signature, full information regarding CW agents and related equipment it possessed; (2) to disclose all production facilities; and (3) to name the national authorities that would be charged with implementing the convention. Each party would also agree to close down and dismantle all factories producing CW agents and their related equipment.

Thus the state of current negotiations could be summarized as follows: there was broad agreement on the definition of CW. It was further agreed that there should be a phased approach to the banning and elimination of CW, beginning with the most lethal weapons. There was no agreement on exactly what weapons were to be included in the first stage, or on whether only the production of such weapons should be banned or whether stocks should also be destroyed, or, if stocks were to be destroyed, at what pace this would be carried out. There was no agreement on the question of verification, with the U.S., U.K., Japan and the other Western countries insisting on on-site observation and the U.S.S.R. and its allies opposing it. Most non-aligned countries did not regard the question of verification as important and considered that some form of "verification by challenge" would suffice. At the same time they did not regard on-site inspection as harmful or detrimental to a country's security.

The inability of the U.S. to put forward any concrete proposal, and the failure of the U.S. and U.S.S.R. to agree on any joint initiative, seemed to indicate that the impasse would continue. There was hope that the new draft convention tabled by the U.K. might provide the basis for compromise, but it was expected that the problem of on-site verification would be a serious stumbling block.

Perspectives and Proposals

At the end of World War II, there were 40 parties to the Geneva Protocol. Today there are 95. While practically all the important countries of the world are parties, there are 60 (all third world) countries that are not, although some that were former non-self-governing territories regard themselves as bound by the Protocol since they are the successor states of colonial powers that *were* parties to the Protocol. Although it is unlikely that any of them would resort to the use of CBW, it would be far better if they would all comply with the legal formalities of becoming parties.

One may be forgiven for speculating why it is so difficult to arrive at an agreement to eliminate CW while it was relatively easy to agree on the Biological Convention. The U.S. insists on the need for verification of a ban on CW while it waived any requirement for verification of the ban on BW. While both CW and BW are not very effective weapons of war, BW are even less efficient as battlefield weapons than CW because of the delay in onset of the symptoms or effects. However, they can be manufactured more easily and take up less space, and hence are more difficult to detect and monitor than are CW. In any case, the whole question of verification, which in the past was often used as a pretext for not agreeing on arms control, should no longer be a problem. Because of the remarkable progress in satellite surveillance (the "national technical means of verification" that was regarded as adequate to monitor the SALT agreements), in electronic and telecommunications monitoring, and in the traditional clandestine means of acquiring military intelligence, there is little likelihood that any treaty violation would go undetected for long, and certainly not any violation that would give one of the parties such a preponderant advantage as to affect the basic balance between the super powers.

The Stockholm International Peace Research Institute (SIPRI) has followed the negotiations closely, has held a number of symposia, and has published nearly a dozen books and reports on the subject of CBW. SIPRI stated in its 1976 Yearbook on World Armament and Disarmament (page 5): "Verification is in fact no longer a real problem."

Consequently, one can only conclude that the reluctance of the U.S. military to agree to a CW ban is because CW, unlike BW, have been assimilated into U.S. military doctrine to the extent that they are regarded as "indispensable" or "necessary" weapons in much the same way as nuclear weapons or conventional weapons such as planes, tanks, and guns are regarded. Therefore, all of the reasons and excuses used to avoid agreement for the reduction and elimination of these other weapons will probably be raised with regard to CW.

However, CW *are* in a different category from these other weapons. They are the sole weapon that the U.S. is committed not to use first, and hence they can be used *only* in retaliation against a chemical attack, unlike nuclear or other weapons which can be used to deter any kind of attack. Can one really believe that the threat of retaliation with CW is an effective deterrent to attacks of any kind, including chemical, as compared to the other weapons in the U.S. arsenal? Are not the risks of the continued existence of these weapons, and their possible proliferation to many smaller countries, a greater risk to the U.S. than would be their elimination?

While it is true that some verification problems do exist concerning the elimination of all CW, and that small violations could probably escape detection, this does not apply to the production, stockpiling and deployment of large quantities of CW or to CW delivery vehicles and their protective equipment. Most of the countries involved in the CCD negotiations believe that the U.S. is dragging its feet, and is holding up a joint Soviet-American initiative by insisting on an unduly high level of verification with on-site inspection or observation.

The production of binary weapons would certainly complicate the problems of verification, but many experts think that binary weapons would not create an insuperable obstacle to an agreement if the political will to achieve one existed. Most of the impetus for the production of binary CW is to allay domestic fears in the U.S. concerning the existing stockpiles of nerve gases and of their transport. A better way to remove such fears would be to ban and eliminate the stockpiles of nerve gases.

It is quite possible that if the U.S. were to take the same type of steps with regard to CW as it did for BW, and which resulted in the elimination of BW from military arsenals, banning CW could be successfully accomplished. The U.S. could begin the process by unilateral action, as it did with BW, since the field of CBW is a particularly good one where reciprocity is not crucial to protection of U.S. security.

Such a programme could be carried out by the following steps: first, the U.S. Congress could pass resolutions stating its support of a Presidential declaration of policy against any further U.S. manufacture or possession of lethal or incapacitating chemical (including binary) weapons such as nerve gases, mustard gases, phosgene, etc. Second, the Executive branch could begin a phased programme to destroy such weapons, and to either destroy their production facilities, or convert them to non-military purposes. Third, observers could be invited from the United Nations, including the U.S.S.R., to observe and monitor the destruction. Fourth, the U.S.S.R. and other nations could be urged to do likewise. Fifth, the U.S. could at the same time inform the United Nations of its support of a draft treaty providing for corresponding measures and commitments by all nations, and could submit, either by itself or in a joint initiative with the U.S.S.R., the text of such a draft treaty for consideration and approval by the CCD and the United Nations.

I think that if the U.S. took these steps, a total ban on CW could eventually become a reality. Thank you.

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Effective Prohibition of Chemical Weapons

Dr. Robert Mikulak
U.S. Arms Control and Disarmament Agency

As an ACS member and someone who works daily with the problem of improving U.S. security through effective chemical disarmament, I am particularly glad to participate in this symposium. I think the American Chemical Society deserves a good bit of credit for its efforts over the past few years to eliminate the dangers posed by chemical warfare, particularly the ACS role in stimulating debate on questions of chemical weapons and chemical disarmament.

One of the problems of speaking last in a symposium like this is that previous speakers have already said some of the things that I planned to say. I'm thinking particularly of Mr. Berdes' comments on the political implications of binaries, and the comments of Mr. Matsumoto, pinch-hitting for Dr. Epstein, in which he reviewed in some detail the developments in the chemical warfare control field over the last decade or so. I think those comments provide a useful perspective to the things that I would like to say. I'll touch on some of these areas again, because I think they bear repeating.

Frankly, I chose the title of my talk not only because it emphasized the need for effective prohibitions, but also because it was general enough to let me talk about almost any aspect of the problem. It's an old bureaucratic and academic habit, I think. At the time I had to put down a title I thought that some interesting things might happen before the symposium was held. And, in fact, they have. During the past two weeks, the British have proposed a draft treaty to prohibit chemical weapons, and the U.S. and the U.S.S.R. have held two weeks worth of consultations on issues related to effective prohibition of chemical weapons. Later on I will return to these two developments. But first I would like to put them in perspective by providing a little background about U.S. policy. Later on I will also comment on the proposed binary program and on the prospects for progress in chemical weapons arms control.

As you may know, the objective of the United States in CW arms control is the *complete and effective* prohibition of chemical weapons. This position has been reaffirmed through numerous statements by U.S. presidents and other high officials, as well as through adherence to the Biological Weapons Convention of 1972. This treaty contains an undertaking to continue negotiations on the prohibition of chemical weapons.

As Mr. Matsumoto mentioned, at the July 1974 Summit conference in Moscow, the leaders of the U.S. and the Soviet Union agreed to consider a joint initiative in the 31-member Conference of the Committee on Disarmament (CCD), which meets in Geneva. The initiative to be considered under this communique would be concerned with the conclusion, as a first step, of an international convention dealing with the most dangerous, lethal means of chemical warfare. Since this statement was made in 1974, there have been further contacts on this subject through diplomatic channels.

Once the BW Convention, which dealt only with biological weapons and toxins, was negotiated in 1971, the attention of the CCD turned to prohibition of chemical weapons. The United States, which is co-chairman of the CCD along with the Soviet Union, has participated actively in the committee discussions of chemical weapons limitations, and it is something we will certainly continue to do.

Now as has been mentioned, treaty drafts have been proposed by the Soviet Union and its allies, by Japan, and most recently, by the United Kingdom. These treaty proposals differ very considerably in the types of activities which are to be prohibited and the way in which compliance is to be verified.

The first treaty proposed, the Socialist draft treaty presented in 1972, is modeled very closely on the Biological Weapons Convention. It provides for complete prohibition of chemical weapons and chemical warfare agents. But beyond a minimal provision for consultation, there are no arrangements for ensuring that parties are fulfilling their obligations. In particular, the treaty lacks any provision for effective, independent verification.

In 1974, the Japanese delegation at the CCD presented a treaty proposal which we feel represented a very considerable improvement over the past proposals. The Japanese proposed that verification of compliance be carried out by an International Verification Agency. As Mr. Matsumoto has said, the treaty was comprehensive in its scope, but the initial effect would have been somewhat more limited. It was based on a phased approach to chemical weapons prohibition. In the initial stages, the coverage of the treaty would be limited to organophosphorus nerve agents. The Japanese convention established an important principle, that is, the connection between possible verification and the scope of prohibition, and envisioned a series of supplementary agreements. As verification capabilities improved, they thought that it might be possible to agree to a broader prohibition.

Approximately two or three weeks ago, a treaty proposal was advanced by the British delegation at the CCD. The British combined ideas in the Soviet and Japanese conventions with: proposals that had been made by others but not put into the form of a treaty; with analogies drawn from the Peaceful Nuclear Explosions Treaty; and with some new ideas of the British. I think this is the kind of constructive and pragmatic approach which is most likely, in the end, to lead to successful negotiation of effective limitations.

British Draft Provisions

The British draft provides for a complete ban on the possession or use of lethal or other highly toxic chemical agents. It specifies that certain types of information on CW-related facilities and activities are to be made available. It also incorporates relatively detailed and extensive provisions for independent, international verification, in order to ensure the effectiveness of the prohibition. And they envision in the treaty additional annexes, which would spell out in even greater detail the way in which verification would be carried out. As one example, international observers would verify the destruction of declared stocks of chemical warfare agents. Since the British proposal was made only recently, there hasn't really been enough time to study it as thoroughly as it should be. Before the next session of the CCD, which will meet again beginning late in February, 1977, we will certainly review it very thoroughly. At this point, I can only say that the British draft appears to accommodate many of the points the United States and other western countries have expressed concerning the scope of coverage and the methods for verification.

Another significant development is that during the past two weeks, the United States and Soviet representatives at the CCD and their technical advisors have held extensive consultations on questions related to the possible agreement on chemical weapons which was mentioned in the 1974 Summit communique. By coincidence, the U.S. ambassador at that

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conference is Ambassador Joseph Martin, of the San Francisco Law Firm of Petit, Evers and Martin. These discussions, in which I participated, were very serious and useful. I think both sides were dealing very seriously with the complicated issues of the scope of limitations, and the provisions for verification. We particularly focused on the technical aspects of these two issues, trying to lay a solid technical foundation for political decisions that have to be made on both sides before a joint initiative can be realized. The consultations will continue after we have enough time to study the issues that were raised, a time that we will have to determine later.

I have gone into some detail about the ongoing CW arms control efforts in order to provide background for making judgments about binary weapons. Now I would like to say a few things specifically about binaries.

Congress has been asked but has not yet authorized construction of a binary production facility. I think the reasons are important. Large in the congressional consideration as I understand it is concern about the possible effect of binary production, or even preparing for such production, on CW arms control negotiations. In my view, these congressional concerns are well founded. To push ahead with binaries now would not help us to reach an effective CW agreement. Quite the opposite, in fact; one result might well be to revive pressures for an immediate and poorly verified prohibition. Furthermore, going ahead with preparations for production is likely to convince a number of other countries that despite all our fine words, the United States is not seriously interested in limitation of chemical weapons. If some countries were to receive this perception, U.S. diplomatic efforts in Moscow and Geneva could be seriously undermined.

Another key consideration is the effect a decision to press ahead with binaries might have on efforts to prevent proliferation of chemical weapons. Several of the previous speakers, I think, have also touched on this question. Some countries might well decide to undertake production of chemical weapons themselves. Many countries, including a number of developing nations, have some capability to produce very deadly chemical weapons. This could only lead to increased instability and tension. It is good to remember that these weapons might be used against our friends and allies.

CW arms control and production of binaries represent two alternative approaches to the problem of preventing chemical warfare. In my personal view, choosing one may well mean foregoing the other.

But there is a third approach which should be mentioned, and which has in fact already been mentioned by a number of speakers, that is, the necessity of maintaining a strong capability to defend against a CW attack. A strong protective posture could in fact enhance the stability of a CW arms control agreement by substantially reducing the incentive for another party to violate the agreement. At the same time, the potential risk to U.S. forces if a violation were to occur would be much reduced. For these reasons I think the improvement of our defensive capability should be given high priority, and I'm glad to see that during the last several years, the U.S. Army has put a much increased priority on chemical defense research, procurement, and hopefully, training.

Accomplishments at CCD

Finally, I would like to say something about what has been accomplished at the CCD so far and what remains to be done. We found this to be, in both a political and a technical sense, a very complicated issue. In some areas, I think there is a sound technical foundation for making decisions. Agreement may be possible in the relatively near future on these aspects of the problem. The topic of how to specify which chemicals are to be restricted, which is a serious problem, is one on which I believe agreement should not be difficult.

Verification issues are considerably farther from resolution. The United States believes that in order to be effective any CW agreement must have verification provisions which give a state adequate assurance that it is not reducing its national security by becoming a party. Unfortunately, remote monitoring, on which the verification of other arms control treaties depends, does not provide much help in the chemical field. The observable features of CW agent production and storage are not unique to chemical warfare activities. The problem of devising technically effective and politically acceptable means of verification for a CW treaty is very complex and difficult. In some cases, for example concerning verification of destruction of declared stockpiles, direct observation seems to be the only effective means.

In spite of the difficult issues which remain to be resolved, one senses a renewed optimism among the delegates at the CCD. In talking with members of other delegations as recently as last Saturday, many expressed hope that it will be possible before too long to remove the remaining obstacles to a chemical weapons agreement. There is a feeling that genuine progress is being made toward achievement of a realistic and workable treaty.

Personally, I share that optimism, and am also hopeful that it will prove possible to work out an effective CW agreement in the not-too-distant future. While the issues that remain to be resolved are very complicated ones, I think that considerable progress has been made within the last six months, and that the process continues to move more rapidly now than it did several years ago. In this regard, I think the activities of the American Chemical Society have contributed very significantly to this renewed movement toward an effective prohibition of chemical weapons. I certainly hope the ACS will continue to take an interest in this important question and to encourage debate. Thank you.

Dr. Robert Mikulak is currently the Physical Science Officer with the Weapons Technology Division of the United States Arms Control and Disarmament Agency. Dr. Mikulak received his Ph.D. in Organic Chemistry from the Massachusetts Institute of Technology in 1969, and has done post-doctoral research at the Max Planck Institute for Physical Chemistry and at M.I.T. He also received an honorary Woodrow Wilson Fellowship in 1964-65, and two predoctoral Fellowships from the National Science Foundation in 1964-68 and 1969-70.

His duties at the Arms Control and Disarmament Agency include responsibility for arms control activities related to biological and chemical weapons; he is also involved in policy activities related to limitations on environmental warfare and on nuclear weapons testing. Finally, he is a member of the U.S. delegation to the current session of the Geneva-based Conference of the Committee on Disarmament.

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Afternoon Session Question and Answer Period

Dr. Nellands: Mr. Berdes' paper is now open for discussion. Dr. Eyring.

Dr. Eyring: There's a question that bothers me. When we lack verification, and can't tell what the other side is doing, it seems to me that we depend on their good faith. I haven't any doubt that they also have problems and worries concerning us, but when we see that we ourselves are not always perfectly open, as we've certainly had people tell us today, it's awfully hard for me to be sure that an agreement with them without some verification mechanism is a satisfactory solution. So, I'd appreciate it if you could tell me how you would assure that an agreement is going to be the solution to our problems—that if we could get them to agree to something, the agreement would make us quite secure. Since you point out verification is difficult and since we ourselves don't always do what we should, how are you convinced that the morality among our enemies is so high that it can be depended on?

Mr. Berdes: I would not accept a good faith pledge from the Soviet Union in an area like this at all.

Dr. Eyring: But we can't verify—

Mr. Berdes: I recognize that. I'm talking more about an attitude that prevails within the official structure of our government, about the intensity and the commitment with which we do foresee the possibility of a verification structure. I'm not saying that it's present. As a matter of fact, I readily recognize the difficulty of achieving it, but it's the half-hearted way in which we're approaching it, and the lack of honest and intense commitment to that goal which disturbs me. No, I have absolutely no illusions about the Soviet Union. I do not trust them, and I think they'll respect and trust us more, ultimately, if we bargain hard. Very hard.

Dr. Kenley: A point which you made occurred several times today, which is that binaries will initiate a spiraling arms race in other countries so they can increase their chemical warfare stockpile. Admittedly, this doesn't address the most crucial point—whether we should have the binary or not—but I think it's a point that is worth bringing up. We've heard several times today about the disadvantages of binary systems, and they are all very valid points. The efficiency of the chemical reactions is less than 100%, the design of the munition is less than 100% effective compared to the conventional weapon, there are problems of odors associated with the chemical reaction, and in fact there are really some strong points in favor of not procuring the binary because it is relatively ineffective.

However, the over-riding concern in procuring the binary is that we've imposed legislation in this country which prohibits us from transporting nerve gas munitions within the continental United States. I contend that the disadvantages of the binary hold true for any other foreign nation but the one single advantage, namely safety in transportation in areas that are populated by civilians, does not hold for other nations. Potential adversaries such as the Soviet Union are notoriously callous concerning the health and safety of their populace, so the point is that I do not think that U.S. development and procurement of binary weapons is going to be an incentive for any other nation to do the same. I think there are over-riding concerns which would prohibit them from doing that.

Mr. Berdes: I wish you were right. I see however, inherently implied in what you say, the suggestion that the United States has no responsibility to provide, nor is in a position to provide, nor is expected to provide, moral leadership in this area. To the extent that we diminish that leadership, and otherwise undermine it, I think that other countries are going to seek out the binary. We are imitated, as you know, in many, many ways.

Dr. Kenley: I'm not a proponent of the binary. I just want to make the point that this argument that procurement of the binary will lead to a spiraling arms race in the chemical warfare area is invalid. I'm only addressing that specific point.

Mr. Donald Dickey: I'm with the University of Hawaii. You talk about the difficulty of verifying the existence of these weapons. What specific things would you want written into a treaty which would be expected to control the spread of these weapons? Since you obviously don't trust the promise on the part of the Soviet Union, what would you take as—

Mr. Berdes: Let me state the obvious. I am not an expert. I am not a scientist. Dr. Mikulak is in a far better position to answer those questions; he's been working ardently on the problem for a long time. From the political perspective, we hope that we would have the necessary understanding and grasp of the issues to evaluate the potential effectiveness of those terms and perhaps contribute to the formulation of them to the extent that we can. I'm sorry I can't answer your question better than that.

Dr. Nellands: Dr. Epstein's paper is now open for comment. Mr. Matsumoto will answer all questions pertaining to it.

Dr. Eyring: It seems to me that Dr. Epstein's paper has been very constructive. But his final suggestion is a very strange one, from my point of view. I think that was not a possibility, or at least I hope it's not a possibility. Effective inspection, if that is possible, would be the desirable thing. The low degree of mutual trust between the great powers wouldn't ever justify, on either side, anything like a unilateral disclaimer to use any kind of weapons. I don't think that is even a realistic suggestion. I wonder if definitive inspection is possible?

Mr. Matsumoto: Thank you very much. I will convey your message to Dr. Epstein.

Member of the Audience: Do you know why the Soviet Union objects to verification and inspection?

Dr. Mikulak: Perhaps I can shed some light on that. Actually, it is interesting to note that today the roles are reversed. The United States traditionally asks in arms control measures for one type or another of on-site inspection, and the Soviet Union resists. But in the 1930s, the case was exactly the opposite. Somehow policies have changed 180 degrees. I think for the Soviet Union to accept on-site inspection in the chemical area is a very difficult policy decision for them, but I'm not saying they won't do it. I don't know how to estimate the chances, exactly, but I'd point to an agreement which we've just concluded, the Treaty on Peaceful Nuclear Explosions, which establishes a very detailed method for verifying that peaceful nuclear explosions carried out in the Soviet Union, the United States, or in third countries by one of the two powers, are actually conducted for peaceful purposes and are not clandestine weapons tests. It involves very extensive on-site observations, including complex measuring instruments and lots of information provided by the side carrying out the explosion, all of which is then checked by the verifying party. That is ostensibly a peaceful situation. It doesn't involve military hardware, except that one must remember that the devices being tested could easily be used as weapons, since the same technology is involved. I think there has been an evolution in Soviet policy, but how far that will go in the next few years, I wouldn't hazard to predict.

Mr. Matsumoto: Speaking about the verification question, the position of Japan is clear. We think that there must be an effective verification system, and therefore, with regard to the verification problem of chemical weapons, we proposed to set up an International Verification Agency. As the Soviet Union has opposed this type of verification, Japan

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has laid the question of verification under the IAEA, which non-nuclear-weapon states have received. We hope that fair and effective verification measures would be established for all disarmament agreements. It would be interesting to know what position China will take on this matter.

Dr. Friedlander: Isn't verification a moot question? About 10 years ago, some Columbia University undergraduates in Chemistry blew themselves up in one of their parents' basements while the parents were out of town. From what Professor Rutman said this morning, and from what Dr. Frank mentioned, the chemistry seems to be rather simple. I was chatting with Professor Eyring before we started the session, and I asked him whether four or five graduate students could make binary weapons. We agreed that it could be done. I understand the problem, but verification seems to be so moot that I would think it would be impossible, like trying to verify that there aren't any illegal stills in North Carolina; the technology to make binaries is as simple as the technology to turn raw opium into heroin. If the technology is so simple, then isn't verification a moot question?

Dr. Rutman: The difficulties of verification in the chemical situation are manifold. Are we going to site inspect the end product or the intermediate process? Are we going to look at the production levels of dichloro or difluoro precursors in the plants that produce these agents, or are we going to look at only those plants that produce VX or mustard or something like that? So, we come to a very critical problem here: what kind of inspection is needed to give any kind of satisfaction that a country is not really evading a ban? Now I think this is where we have to get our definitions, because what we need to know is not whether somebody is producing some nerve gas, but whether the production is part of their regular armaments program. What has to be constructed is an accounting system plus some kind of verification, where necessary, which keeps track of the critical raw materials and precursors that go into nerve gas production. Does this require on-site inspection? Are there other means of doing it? We can over-simplify the problem by thinking in terms of the devil concepts that have existed before, but the devil concepts that plague nuclear negotiations are not the issues here. There are slightly different issues; for example, we could turn the question around—will United States private industry allow the Russians to inspect every stage of the production process for certain kinds of compounds? Well, *ipso facto*, the answer is *no*. Maybe they can be brought to do it, but they're not about to open up their patents that way. So we have a rather complex situation which includes the elements you talk about—the ease of doing small scale production in somebody's basement, and the need to accept that our security is met if no country can produce a chemical warfare program without being detected. That's where I think we have to aim. That's where the real question is—has the plan got enough control built into it to allow us to see which country is obeying the injunction against major chemical armament and which country isn't?

Mr. Dickey: Mr. Matsumoto, could you give us some details on the nuclear inspection that Japan must submit to. What are the inspection requirements, and how extensive are the investigations?

Mr. Matsumoto: In accordance with the safeguards agreement with the IAEA, Japan places all nuclear material and facilities under direct and indirect safeguards to be carried out by IAEA inspectors. It is Japan's hope that all IAEA inspection activities be carried out in the most effective and smooth way. It is known that it is not necessary to check all points of nuclear facilities, because each facility has key points. Therefore, if the IAEA experts check the key points, it can be sure that there is no conversion of nuclear material to military uses. In fact, Japan ratified the NPT in May 1976, and is establishing a national inspection agency, which will conduct safeguard inspections for each nuclear facility in cooperation with the IAEA.

Dr. Pfeiffer: Mr. Matsumoto, you made a reference to a draft convention submitted by the Socialist countries to the U.N. at the request of the Secretary General in 1969.

Mr. Matsumoto: No, the draft convention was in 1972; the draft convention on chemical warfare was submitted by the socialist countries.

Dr. Pfeiffer: That did not include procedures for verification?

Mr. Matsumoto: No. It was exactly the same structure as the Biological Warfare convention, and therefore there is no provision for verification.

Dr. Pfeiffer: That convention called for a banning of only *lethal* chemical weapons, was it, or *all* chemical weapons?

Mr. Matsumoto: All. This convention is based on the purpose criterion, therefore they don't care very much whether you categorize into very dangerous, or mostly lethal, or supertoxic. Under the purpose criterion any agent which may have a military application must be banned. The purpose criterion is rather general and vague, and it cannot be applied to those countries in which there is a lot of activity in the peaceful chemicals field. I mean the chemical industry.

Dr. Pfeiffer: Well, being a naive cowboy from Montana, and really not much involved in the details of these negotiations, I can't see what objection there is to all nations agreeing not to use these weapons, and then going on with the problems of verification. I want to cite the Vietnam situation. They didn't need all sorts of procedures to verify that there was poison coming out of the sky when the airplanes flew over. The people in the underground bunkers that got sick from riot control agents knew what was happening, and it was all verifiable. If the United States had agreed to such a ban, it then was perfectly verifiable that they had not violated the ban, and I can't see why countries can't immediately agree not to use them, and then go on to the problems of verification. Why do we keep stumbling over the verification issue?

Dr. Eyring: I think I can provide a partial answer. Before World War II the Germans were completely disarmed and were committed not to move into the Ruhr, yet without adequate inspection they were able to assemble an army that nearly overran the world. We had the agreement but we had nothing like adequate inspection, so I think that without knowing what the other people are going to do, for the countries that are at least as open as we are, we really have to more or less insist on some form of verification. If we had a closed system like the Germans had, we might have been able to do what they did, but I think it's quite an unequal kind of agreement to make between our country and countries that are not open, that we won't secretly arm ourselves with chemical weapons. Obviously we are exposing all of our own dirty linen, and that probably wouldn't be allowed in a closed society. So to talk about us agreeing to a treaty without some form of safeguards would repeat the folly that brought on the second world war.

Dr. Mikulak: I think one also has to keep very clearly focused the distinction between a prohibition on *use* and a prohibition on *possession*. We already have a prohibition on use, the 1925 Geneva Protocol—a prohibition on first use, in effect. And you're right, it's not difficult to tell whether nerve gas has been used against your forces. The more difficult problem is knowing whether someone has nerve gas in some ammunition bunkers which he may use at a later day.

Dr. Pfeiffer: We have what I thought we ought to have, a prohibition on use, and we ought to clarify that in our thinking. With that perspective, the only problem now is, what is prohibited and what isn't? The United States still can't reach agreement on that with the rest of the world. Is that right?

Member of the Panel: There is some disagreement about what the Geneva Protocol covers.

Dr. Pfeiffer: That's right. Which has been a very unfortunate disagreement. But the principle that we can agree on not using certain things has been established. We're talking right now about agreement on whether to use chemical weapons,

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not agreement on development or stockpiling. We all agree that we shouldn't use chemical weapons. Right?

Dr. Mikulak: That's right. There's an international treaty to that effect.

Dr. Nellands: Dr. Mikulak's paper is open for comment. Dr. Eyring?

Dr. Eyring: Is a Molotov Cocktail or a flamethrower a chemical weapon?

Dr. Mikulak: No, those are generally considered incendiary weapons. Let me elaborate on something here. I certainly hope that we are taking a relatively hard-headed attitude in these negotiations. We are not depending on the good will of the Soviet Union. I think one has to consider these basically as contracts, and when it becomes in the interest of a party not to adhere to the contract, it may well be broken. One has to take that into consideration when making a political assessment of what you can accept and what the risks are.

The second question about the use against civilians, is in a sense unanswerable. Having retaliatory capability against somebody's armed forces doesn't help you, and I think it needs to be pointed out that during World War II, perhaps part of the deterrent effect of chemicals was based on our threat to retaliate against the German civilian population, not against the German military. I think the reasons chemicals were not used in World War II are pretty complex, involving some deterrents, some effects, some questions of honor, and some questions of just not having the right stuff at the right time.

Dr. Kenley: I'd like to solicit your comment on the following. If a bilateral treaty is negotiated that includes some verification procedure, and if the Soviet Union still wants to maintain a chemical capability, they will have to maintain it surreptitiously, and the best way for them to do this will be to engage in a program to research and develop chemical warfare agents whose mechanism of action and whose chemistry is completely unrelated to the compounds that we know today. If that's the case, isn't such a treaty an incentive for them to engage in this sort of surreptitious development of new agents against which we will therefore have little opportunity to prepare a defense?

Dr. Mikulak: Well, I have two things to say about that. One, you're not in any worse situation by having a treaty than by not having one. You're not prevented from doing research on new mechanisms of action yourself.

Dr. Kenley: If you destroy your stockpile of nerve agents, don't you then have more incentive to spend money to develop new agents than would be the case if you had a large stockpile of older nerve agents?

Dr. Mikulak: I would assume that the Russians at this point are trying to develop agents with new mechanisms of action. I think it's useful to point out, though, that with almost no exceptions, no new agents have been developed solely in military laboratories. The nerve gases stem basically from insecticide research. Particularly when one is talking about new mechanisms, if there's something that's basically new, there is a substantial probability that it's going to appear in the scientific literature before it gets into military laboratories.

Dr. Rutman: Many of us have said here today that if the United States undertakes the program projected by the DOD, that is, the destruction of the present stockpile and its replacement by a new generation of chemical weapons, and if our announced intention to do so is made clear and backed up by congressional appropriations, the Russians will interpret this as meaning that we are not interested in the status of negotiations. Now what's the reason for that? It's quite simple. I don't know the extent of the Russian stockpile, and I'm limited to the public literature on the American stockpile which is quoted variously as 40 million to 80 million pounds of mixed war gases, with a very large content of GB and VX. Presumably the Russians have the same amount. But what does it mean when we're negotiating about the existence of these stockpiles, the control of their use, their non-proliferation and so on, while at the same time we announce, "Well fellas, while we're negotiating, we're going to get rid of all this old stuff and get new and even better stuff into production"? The Russians are going to say, "Well, what's the purpose of the negotiation?" If I were sitting there, I would say the same thing. So I think that's the answer; they have it and we have it, and any major change that we make will provoke a major reaction by them. In that case, will the change or the treaty come first? That's all we're dealing with.

Dr. Mikulak: Let me add one thing to this. To put pressure on the Russians, the bargaining chip is the option to produce, not the actual production. I think the Russians know that if these negotiations fail, there's a significant probability that the United States will go ahead with a binary production program. That's what creates the pressure.

Dr. Rutman: The statement is based on two kinds of considerations. One is, these agents are alkylating agents. Some of them are stronger alkylating agents than others. Under those circumstances, we simply stated that it was likely that they would have carcinogenicity. The second is, there is a limited amount of literature on the tests of agents like these and related insecticides. The tests have shown a significant tumor incidence, but it's been a low order of carcinogenicity. I can give you those references later, but don't have them on hand now. A number of them are in the German literature because more work has been done on that in Germany. But anyway, the carcinogenicity of these agents is something which, if they were put to widespread use, would have to be considered.

Dr. Kenley: If you hydrolyze Soman, Saran, or VX (I use them as models for alkylation versus phosphorylation), the predominant product of the reaction is not alkylation, but phosphorylation. I'm not talking about parathion, malathion, or similar such compounds which are not as reactive with acetylcholinesterase.

Dr. Rutman: The facts are not correct, my friend, because it alkylates biologically.

Dr. Kenley: Phosphorylates biologically.

Dr. Rutman: Yeah, but I didn't say no to that. I said the primary reaction was esterification, that's the primary reaction. It may be 75% or 80% of the reaction, but alkylation still takes place and modified DNA bases are isolated. That's all that we've implied by the alkylation criterion. Remember that the frequency of alkylation which is connected with carcinogenesis is very low. Experimental carcinogenesis is produced in amounts at a level of alkylation of one alkylation per 100,000 and 1,000,000 deoxynucleotides in DNA.

Dr. Nellands: Are there any other comments? If not, then I want to state something that may be very obvious. In our country, military expenditures run about 114 billion dollars a year; for the world as a whole I suppose the sum would be two or three times that. So we're talking about 300 billion dollars or so that is spent on armaments annually around the world, which represents an irretrievable loss of resources. I think that although many opinions have been expressed this morning and this afternoon, we could probably all agree that disarmament, coupled with some tight international security for the protection of national boundaries, is the most important human intellectual activity of our time. How we're going to accomplish disarmament, however, remains to be solved.

Presently, close to 100 nations subscribe fully to the Geneva Protocol of 1925. There is a defect, however, in that Protocol in that it does not prohibit stockpiling, and most nations have interpreted it to mean that they can retaliate in kind. It is designed to ban the first use of chemical agents, but does not prohibit a retaliatory use of them. Therefore many nations have continued to stockpile these types of munitions. There is, as you have heard, active international debate on elimination of these chemical stockpiles, such as has been achieved in the case of the biological weapons, although to satisfy everyone it would be desirable to have some kind of tighter security.

I hope these problems will continue to be discussed within the American Chemical Society and by other professional science organizations. Thank you all for attending; this symposium is now adjourned.

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Mr. RUTMAN. I would like to introduce two serious additional points. One is I wish you to know chemical agents of this type are also mutagenic agents and carcinogenic agents. Their effects in these directions are weaker than merely those of the purely mutagenic or cancer-causing chemicals, but when used in large quantity must ultimately cause cancers in the exposed individuals who survive them, amongst some of the exposed individuals. That is one feature we have not tended to recognize.

The other is that the principle of binary weapons can be extended ad infinitum. I ask you to contemplate what would happen if under the impetus of the driver for improved binary weapons someone—ourselves or others—would make a weapon equivalent to the botulinus toxin. Weapons like this can be made chemically.

We have done this in the laboratory, not on a scale that means anything. They can be improved. So at some point you will produce by binary means a weapon which can be put into a shotgun shell. A few such shotgun shells of the strength of botulinus toxin can destroy a whole city.

What we are saying is it is better top close the door on this at this point than to open it at all since where it will lead no one can tell.

Mr. DICKS. What do you do with the Soviets?

Mr. RUTMAN. I think the main point here is to protect. I think we can develop protective mechanisms. I don't think we should stop studying the matter. We should keep abreast in laboratories. The thing we need to do is see that our troops are thoroughly protected.

At this stage of development of nerve gas agents, protection of or troops removes the advantage for the use of the agents at any point in time. So that we can—the retaliation means nothing, because if the enemy is going to use nerve gas they are already protected. So there is no retaliatory posture here. But our protective posture must be adequate for our estimate of their capabilities. I do not believe that is the case now.

Mr. DICKS. Mr. Hefner?

Mr. HEFNER. No questions.

Mr. DICKS. Mr. Young?

Mr. YOUNG. No questions. Thank you very much.

Mr. DICKS. Thank you for a very comprehensive statement.

WEDNESDAY, AUGUST 11, 1982.

PEACE WITH JUSTICE

WITNESSES

RONALD D. SISK, PH. D., DIRECTOR OF PROGRAM DEVELOPMENT, CHRISTIAN LIFE COMMISSION, SOUTHERN BAPTIST CONVENTION

JOHN BUCHANAN, FORMER REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. DICKS. Mr. Ronald D. Sisk.

I see we have a distinguished former member. Glad to have you join the witness.

Mr. BUCHANAN. Thank you, Mr. Chairman. Do you want us to proceed?

Mr. DICKS. Why don't we go ahead? We will proceed.

STATEMENT OF MR. BUCHANAN

Mr. BUCHANAN. Mr. Chairman, I am pleased to present Dr. Ronald D. Sisk of the Christian Life Commission. Dr. Sisk is a native of Pine Bluff, Arkansas, with a bachelor degree from the University of Arkansas, a master's from New York University, and master's and Ph.D. degrees from the Southern Baptist Theological Seminary.

He was a honor student and a pastor in Connecticut before assuming his present responsibilities with the Christian Life Commission, which is our social action agency and what I would call the conscience of the Southern Baptist Convention.

One of Dr. Sisk's areas of responsibility is the area of peace with justice.

Mr. DICKS. We appreciate that introduction. We are delighted to have Mr. Sisk here today.

STATEMENT OF MR. SISK

Mr. SISK. Next to Roman Catholics, Southern Baptists are the nation's largest denomination. We have 13.8 million members in 36,000 churches scattered through every state in the union. Over 6 percent of the entire population of the United States identify themselves as Southern Baptists.

Obviously such a diverse group is difficult to characterize, but there are a few things about Southern Baptists which objective observers could say with certainty.

First, Southern Baptists are patriotic. We support a strong defense. I come from Tennessee, the Volunteer State. Voluntarism is a good word that is particularly applicable to Southern Baptists as a people. We have offered ourselves and our willing tax support in defense of America whenever it has been called for in the past.

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There is nowhere a wavering note to indicate that we will not continue to do so in the future.

Second, Southern Baptists are generally social conservatives. While we resist government waste, we strongly support the constitutional duty of government to provide for the common defense and promote the general welfare of the peole of this nation.

Third, Southern Baptists are theological conservatives. We believe the Bible. We believe that the Bible teaches peace and supports justice as basic principles for ordering human relationships.

We believe that the nations of the earth are accountable to Almighty God for the methods by which they defend themselves and for the specific effects which those methods have upon the lives and fortunes of humankind.

Southern Baptist policy is such that no individual speaks for all Southern Baptists. Instead, I speak to you today as one Southern Baptist minister, as one who knows Southern Baptists as a people, and as one who believes that Southern Baptists have a vital stake in the kind of defense budget you will recommend.

PRIORITIES OF DEFENSE BUDGET

I do not attempt to offer technical arguments on specific weapons systems. Rather I speak as one who is concerned from a specifically religious and ethical perspective about the priorities which this defense budget will represent.

As its annual meeting this past June, the Southern Baptist Convention passed a resolution calling for "responsible limitation of nuclear weapons" as a matter of national security. I concur with that resolution.

I, along with many of my Baptist brethren, do not believe that having more nuclear weapons means having more security. Indeed, such weapons as the cruise missile seem designed to increase American insecurity.

As virtually undetectable potential first strike weapons, they could invite preemptive attack from the other side. It is my conviction that we have reached a point where national security is best served by refusing to continue to escalate the arms race. Adding destabilizing new weapons systems to the strategic mix is the worst thing we could do.

The Southern Baptist Convention's 1982 resolution spoke of responsible limitations. We question whether it is responsible in any sense of the word for a nation which already possesses enough nuclear weaponry to destroy civilization many times over to build even one more nuclear weapon. Given the size and power of our current nuclear arsenal, continued construction and deployment of nuclear weapons is an indefensible redundancy and an unconsionable waste of the taxpayers' money.

That same resolution from this year's Southern Baptist Convention supported a program of "mutually verifiable disarmament, including nuclear disarmament." I submit that the reality of statements like this from a group as traditionally conservative as the one I serve signals the need for a responsible rethinking of budget priorities, both near and long-term. It is time for America to re-

channel funds from efforts to build a fortress America into efforts to eliminate the need for an American fortress.

PEACE WITH JUSTICE

Beyond the specific matter of nuclear weapons there are several other priority items which I commend to your attention. While we are not pacifists, by and large Southern Baptists have historically and nearly unanimously supported what we call "peace with justice." By that we mean that our pursuit of the ultimate goal of peace must necessarily include a concern for basic justice in the whole arena of human rights. We insist that our desire for peace must not be perceived as a willingness to surrender to unjust and evil forces. Peace without justice is no peace at all.

Justice, however, is a concept which applies both to protection from external enemies and to the preservation of internal values and priorities. We do not want you to build our military machine on the backs of America's poor. It does not serve the cause of justice to reduce needed social programs in order to finance extravagantly priced military schemes. Hungry children cannot gain the nourishment they need from esoteric weapons of death. You ought not to force them into this terrible situation.

Nor does it serve the cause of justice to siphon investment capital from civilian into military channels at a cost of uncounted tens of thousands of American jobs. One observable fact in the midst of the current world economic crisis is that those nations which have prospered most are those which have majored on the production of consumer goods rather than military hardware. A strong America is a working America. A sound economy is a sound defense.

Similarly, one of the best ways to build a sound economy and a strong nation is to control inflation. Yet military spending is the most inflationary spending there is. It requires the outlay of more and more millions of dollars for less and less product. We are all conscious of the recurring cost overruns for virtually every major item on the military shopping list. Such inflationary spending is one of the chief internal enemies which you have an opportunity to defeat in this budgeting process.

Peace with justice also includes the concept of equal benefit and equal burden to all. Yet in this election year you will have to defend your votes on a 1983 budget which is now reported to represent a real increase in military budget authority of more than 9 percent over 1982 while holding the line or cutting back in virtually every other budget category.

The ultimate goal of any good defense budget is peace. Yet the more we spend in developing and procuring weapons systems, the more we place our economy in a footing for war. The more we divert capital and resources into the production of defensed material, the more we become arms merchants to the world.

And the more we act as arms merchant to the world, the more we create the very instability and danger we seek to defense ourselves against. You are responsible for rejecting this madness while moving our nation in the direction of greater liberty and justice for all.

MILITARY MIGHT NOT NECESSARILY RIGHT

Twenty-eight hundred years ago, the prophet Isaiah warned the nation of Israel against an exclusive reliance on military might as a guarantee of national security. He said:

> Woe to those who . . . rely on horses, who trust in chariots because they are many and in horsemen because they are very strong, but who do not look to the Holy One of Israel or consult the Lord.

The time has come to remember that this nation has not been right because it has been strong. It has grown strong because it has been right. A military budget which merely multiplies missiles in a doomed drive toward unobtainable omnipotence would not be a genuine defense budget at all. It would be offensive to the people of the world who look to the United States for moral leadership.

It would be a morally irresponsible pursuit of offensive military overkill capability. And it would be deeply offensive to all those citizens of this great nation who today are looking to you for the budgeting of a program of defense which promote true peace with justice.

Mr. HEFNER [presiding]. John, do you have anything to add?

Mr. BUCHANAN. No, thank you, Mr. Chairman. I think Dr. Sisk has spoken the Christian Life view.

Mr. HEFNER. Being a Southern Baptist, I heard you mention when you started this was a conscience. That is a new post with us, isn't it? Have we had one in the past?

Mr. BUCHANAN. It hurts a lot.

Mr. HEFNER. I am sorry to have missed your testimony. We were interrupted by votes. Members are coming and going.

I have no questions. We are certainly happy to have you and thank you for taking your time to come before this committee to express your concerns.

We would like to thank you for a very good statement. I would like to say that you sure travel in good company, one of the most respected former members. He was a respected member when he was here and is a respected former member.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Mr. SISK. Thank you.

WEDNESDAY, AUGUST 11, 1982.

NATIONAL SECURITY EXPENDITURES

WITNESS

RANDY WILKINSON, VIRGINIA BAPTIST BOARD

Mr. HEFNER. Our next witness is Mr. Randy Wilkinson from the Virginia Baptist Board.

STATEMENT OF MR. WILKINSON

Mr. WILKINSON. Thank you, Mr. Chairman. I will cut my statement down as we go along.

We are all concerned about national security. I think the question is what is security. One of my earliest memories was of the Cuban missile crisis, and being a native of Florida, I was just a couple hundred miles from that hotspot. As I grew older and was called into the ministry, attended the Southern Baptist Seminiary, my professor was Dr. Stassen.

Dr. Glen Stassen formerly worked for the U.S. Department of Defense. He worked as a nuclear physicist on the early warning nuclear tracking system that was alluded to earlier, a system that he knows and we all know is not foolproof. But Dr. Stassen has greatly increased my interest in the area, and I would like to share a few things that I think might be relevant to the question of what is our security.

Albert Einstein said, "When we released the energy from the atom, everything changed except our way of thinking. Because of that we drift towards unparalleled disaster." Professor Einstein made this comment several years ago when nations of the world were much less reliant upon nuclear weapons. We have not, needless to say, changed our way of thinking since these words were uttered.

PEACE THROUGH STRENGTH

A succession of Presidents, Democratic and Republican, have appealed to this worn-out way of conceiving of national security. President Kennedy warned of a missile gap with the Soviets. President Reagan tells us again and again of a "window of vulnerability."

Now, McGeorge Bundy, chief policymaker during the Kennedy, states emphatically that there was no such missile gap unfavorable to the United States with regards to ICBMs and that he knew it in 1960. The gap was indeed lopsided in our favor. The Russian arsenal contained four ICBMs and we had about 27. Yet, it was decided that 1,000 nuclear ICBMs were necessary to make this nation secure.

We built toward that mark rapidly.

Today, 25,000 warheads later, the Reagan Administration has set a long-range goal of 17,000 more nuclear weapons to be produced over the next 15 years.

We could go on and on about how we stack up against the Soviet Union. The question we must start asking, however, is whether invulnerability in this world of ours is attainable. What does the President mean when he talks about closing "the window of vulnerability"? Is it not nonsense to conceive of such in any age, much more our own? The ancient Greeks discovered Achilles' heel long ago.

Have not all our efforts in regards to building security through nuclear proliferation proved futile? It reminds me of a cartoon depicting two Indians warring with each other. Each has his bow drawn, arrows poised, face to face about two arm-lengths apart. Realizing that they are at a standoff, one brave draws his bow tighter. His enemy, feeling more threatened, tugs harder at his bow and, sensing that he can gain the advantage, strains it back further than his counterpart's. They continue tit for tat for a little while, or so the one-frame cartoon lets you imagine.

It leaves you wondering, though, how long can this go on? Any would-be archer knows that as the bow is extended further, the muscle becomes more taut. There comes a breaking point where muscles quiver uncontrollably. Those two Indians must have reached a point where their concerns for their own ability to hold on became as great as their fear of the enemy. Oh, yes, the caption below the cartoon read, "Peace through strength."

Hear again Einstein's call for a new way of thinking. The content of such Einstein left for us to decide. He hinted that such a new way of thinking will necessarily be as dramatic, be as revolutionary as the theories which led to the release of destructive energy from the atom.

Einstein's theory of relativity, E equal mc squared, which itself formed the foundation for such awesome capabilities, and then quantum theory which built upon it, contradicted the laws of physics then in use. Timothy Schell in "The Fate of the Earth" writes, "Something of the uncanny quality of modern physics' violation of common sense—by, for instance, the concept of 'curved space'—inheres in the seemingly ungraspable, and therefore 'unreal' power of nuclear weapons, whose construction is based on the new principles."

QUANTUM LEAP IN THINKING

Such a corresponding quantum leap in our way of thinking will be seen as idiocy at first. That is what is demanded. Albert Einstein, when just a child, was considered to be a dunce by his own parents. They even took him to a doctor to see if he was retarded. Albert did not talk until he was three years old. He could not perform simple math skills that his peers easily mastered, until he reached ten years of age.

Einstein, looking back, commented, himself, about such a painful start. He wrote that his early difficulties in math came not because he was dumb, but because he saw numbers against a background of

a whole constellation of new factors. He could not accept these numbers at face value as could his schoolmates. He could not accept them simply for what the teacher identified them to be. They symbolized a new world for him, not tied to linear reasoning. When he finally did pick up the basic skills in math, he raced far ahead of even his teachers.

We, too, must not be impaled by the schoolmasters of old lines of thinking. It will not be easy. The leap of faith will necessarily need to be a quantum leap off a mountain of skepticism.

What must be the parameters of such a new way of thinking? First, we must come to grips with the fact that we cannot escape being vulnerable to the Russians, much less anyone else. Such an acknowledgement could turn a "window of vulnerability" into a "door of opportunity" for real dialogue between us and the Soviet Union. It was through a window of vulnerability that God became flesh and dwelt among us.

LIMITATION TREATIES

An impossible idea, you think. In actuality, it has happened before. Henry Kissinger remarks in the second volume of his memoirs, "Years of Upheaval": "There was a revolutionary element (in the first strategic arms limitation treaty (SALT I).

This lay in the agreement of the Soviet Union and the United States permanently to limit their deployment of antiballistic missile systems (ABMs) to no more than two sites, 1,300 kilometers apart, and to no more than 200 missiles. For the first time in history two major powers deliberately rested their security on each other's vulnerability." To our own peril we have backtracked from this important first step. I think it symbolized something of what Einstein hoped for.

Actually, this new way of thinking called for is not new but is almost 2,000 years old. Listen to the words of General Omar Bradley, who was called the "soldier's general." He said,

> We have grasped the mystery of the atom and rejected the Sermon on the Mount. The world has achieved brilliance without wisdom, power without conscience.
>
> Ours is a world of nuclear giants and ethical infants. We know more about war than we know about peace, more about killing than we know about living.

The message is old but new to the world because it has rarely been used. Mahatma Gandhi, who said, "I would become a Christian if it weren't for Christians" picked out from the Sermon on the Mount one of his central principles and moved the world.

Dr. Glen Stassen came from a family with a long interest in our country. His father was Harold Stassen, a U.S. Senator and Governor of Minnesota. He was the chief arms negotiator for President Eisenhower. Dr. Stassen, after leaving the Defense Department, came to the conclusion that, indeed, the Sermon on the Mount is our only alternative to nuclear destruction.

POLICY CHANGE FROM DETERRENCE TO COUNTERFORCE

Dr. Stassen, who remains a student of the world-wide arms buildup, was alarmed by the change in our policy from deterrence to counterforce, made official by President Carter in handing down Presidential Directive 59. This had been the unofficial policy as

early as President Nixon. It implies the threat of a first strike, something which refutes any moral underpinning our "defense" ever rested upon. Indeed, it is offensive and odious.

Therefore, I plead with you to cut the budget out from under any weapons whose only real "improvement" upon our present arsenal is that they have first-strike capability. The Trident II, which is designed to hit within 15 yards of its target, is one such weapon. Close only counts in horseshoes. It certainly doesn't apply to nuclear war, unless you are determined to knock out hard targets like missile silos before they can be emptied.

One Trident submarine, states Robert Aldridge, a former engineer on the Trident missile project, will be able to destroy 408 cities of 100,000 or more population. Our present fleet of 31 Poseidon submarines, which can each carry 16 Polaris missiles with 10 warheads apiece, are deemed to be outdated because each can destroy only 160 cities of 100,000 population. The funny thing is Russia has only 224 cities wth a population of 100,000 or more.

I call upon you to cut out the MX missile, or as Edwin Meese made reference to it, the Hallmark Missile, designed to let the Russians know that we care enough to send the very best. It's only distinct advantage is its pinpoint, first-strike accuracy.

Furthermore, I ask you to cut funding for the deployment of the Pershing II. In these times of first-strike consciousness, it will necessitate a launch-on-warning policy as a response by the Soviet Union. It would reach its destintion in 6½ minutes, not allowing the Soviets to second-guess malfunction of their detection devices or computers.

You are well aware of the kinks in the Early Warning Nuclear Tracking System. It was only because Russian ICBMs, like ours, require over 20 minutes to reach targets within the U.S. or USSR that the false alarms could be detected.

I ask you to judge all other developing weapon systems in the context of a "new way of thinking," and in reference to a statement by President Dwight David Eisenhower: "Every gun that is made, every warship launched, every rocket fired, signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hope of its children. This is not a way of life at all in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron."

W.H. Auden paraphrased a message centuries old: "We must love one another or die."

Mr. HEFNER. Thank you, Mr. Wilkinson, for a very good statement. We certainly appreciate your taking the time to come and be with us.

WEDNESDAY, AUGUST 11, 1982.

MILITARY SPENDING

WITNESS

BISHOP P. FRANCIS MURPHY, AUXILIARY BISHOP OF BALTIMORE ON BEHALF OF THE JUSTICE AND PEACE COMMISSION OF THE CATHOLIC ARCHDIOCESE OF BALTIMORE

Mr. HEFNER. Our next witness is Bishop P. Francis Murphy, Co-Chairperson, Justice and Peace Commission, Catholic Center.

Bishop MURPHY. Thank you very much, Mr. Chairman. Although I have a rather lengthy testimony I would prefer to be very brief.

Mr. HEFNER. Your entire statement will be made part of the record.

STATEMENT OF BISHOP MURPHY

Bishop MURPHY. I am Francis Murphy. I am a Catholic bishop from the Archdiocese of Baltimore. Recently I was addressing a kindergarten class on the meaning of the word "bishop." I ultimately told them a bishop was like an apostle of Jesus Christ. A few days after my talk, I received a letter from the father of one of the children who said I told them a bishop was a fossil of Jesus Christ!

I am delighted to be with so many men and women of different religions, faiths and different professions who represent a growing movement in our country, very concerned citizens for the topic I am about to address. I come before you today to represent the Justice and Peace Commission of the Catholic Archdiocese of Baltimore. I am very grateful for the opportunity to join with my colleagues here present. I believe the very debate of this issue is a very hopeful sign.

Like my Baptist colleague, American Catholics have a great sense of patriotism. I believe Catholics have made a great contribution to the military and government in our country. I hope you will see my presence today as a sign of service to our country.

HUMAN RIGHTS AND HUMAN NEEDS

I have four points to make today. First of all, many Catholic people and many Catholic bishops are developing a new attitude toward war because of the increasing numbers of weapons, both conventional and nuclear. These weapons have led us to a profound re-examination of our attitude towards the "just war" theory that has been in vogue since the fourth century.

As many of you may know, the Catholic bishops are preparing the most important teaching document in the last 50 years on the theology of peace. It has received so much response from the press

and from many, many people that we have had to postpone its issuance until next year. Over 700 pages of suggestions have been sent after the first draft.

I would like to explain to you that we believe that this question is a matter of faith. We recognize that it is an economic question, it is a question of national security, a political question, but it is definitely a matter of faith, because we believe in the sacredness of human life—do not kill.

Secondly, we believe in the uniqueness of the individual person who has rights and who has basic human needs.

Finally, we believe that there is a massive diversion of human resources from feeding the hungry, from clothing the naked, from educating children, and to providing health care to the military.

MORAL RESPONSIBILITY

My second point is this: As a pastor with many other bishops in this country, we believe it is our sacred duty to call to the attention of the consciences of our Catholic people the moral implications of our government that whatever we believe we are carrying out foreign policy and national security policy outside the pale of morality.

I have four questions that come to mind under my second point:

1. Can continued or increased expenditures on the arms race be justified in light of urgent human needs in a world of poverty? That has been mentioned by almost all the speakers before me.

2. Is it realistic to expect that nuclear war can be fought on a limited basis?

3. It is morally responsible for policymakers to suggest that nuclear war can be survived?

4. What is the moral responsibility of us who are citizens and you who are policymakers to place the quest for arms limitation and eventual nuclear disarmament on the national agenda?

I admit that these are questions that we have not effectively answered as a church or as citizens, either for ourselves or for the people of the world. But they are questions that demand that we bring a sense of truth and hope to the world rather than a sense of war and destruction.

DETERRANCE VERSUS ESCALATION

My third point: I would like very concisely, my dear gentlemen, to give you seven conclusions that I have come to from my experience:

First of all, despite the logic behind the buildup, many do not feel secure in the face of the arms race.

Second, the continued threat of the arms race has destroyed already a sense of hope for so many people in the world. It has already claimed its first victims. I believe especially from my own experience, the children and young people do not believe that they will see a world without a nuclear war. I think that also can be documented.

Number three, at the present time I do not believe that we know how to create alternatives for war. We know only how to play upon

fear, to avoid conflict by creating potential to wage the ultimate war.

Number four, I do not believe our nation is preparing for peace. I believe we are preparing for war.

Number five, I recognize that deterrence, which in itself is being discussed among the bishops, may be considered a peace of sorts, but I think the continued escalation of the nuclear arms race is so much more. George Kennan, the former ambassador to Russia from our country, has a very profound thought in this quote:

> This entire preoccupation with nuclear war, a preoccupation which appears to hold most of our government in its grip, is a form of illness. There is no hope in it. There is only horror. It is a lack of faith. It is a lack of the very strength that it takes to survive.

My sixth conclusion: The enormous diversion of our own resources from the needy create already in the world 41,000 people who die daily from hunger or its complications. That is a very strong argument in the Christian-Judeo tradition. And, finally, the nuclear arms race in itself creates the fundamental threat of nuclear war itself. There is no proportionality to nuclear war itself.

My final point, Mr. Chairman and members of the committee, I have two practical comments to make: Number one, that we as a nation would not enter into a new phase of nuclear arms race by appropriating funds for a new generation of sophisticated weapons systems.

Secondly, we have to generate images of hope. I participated in the U.N. rally a few weeks ago. In 1978 there were 10,000 people that came before the U.N. to demonstrate their interest in peace. This year, there were over 750,000.

As a sign of positive hope, I beg you to consider the transfer of the funds for the civil defense evacuation plan to the National Peace Academy.

Thank you for your time. I think we are in a time of great crisis, but a time of grace. I pray that God, the God of peace, will be with all of us.

[The statement of Bishop Murphy follows:]

11 August 1982

TESTIMONY OF BISHOP P. FRANCIS MURPHY
HOUSE SUBCOMMITTEE ON DEFENSE APPROPRIATIONS
HOUSE COMMITTEE ON APPROPRIATIONS

Mr. Chairman, Members of the Subcommittee, and guests:

Good afternoon. I am Bishop P. Francis Murphy, Auxiliary Bishop of Baltimore. I come here today representing both myself and the Baltimore Archdiocese Justice & Peace Commission, of which I am Co-Chairperson. I am grateful for the opportunity to speak to you today about the growing and insistent dilemma of military spending in this country and around the world.

As a representative of American Catholics, I must first state that Catholics in this country have always demonstrated a great patriotism, a deep concern for the future of America and have always made significant contributions to the growth and the greatness of this country. Catholics do have and will continue to have a strong sense of national pride and of service to America. I hope my presence and my remarks will be seen in this light.

Nevertheless, a large number of American Catholics, along with the Bishops in this country, are coming to a new attitude about modern warfare. That attitude is a profound re-examination of the meaning and importance of the nuclear arsenals held by the world's nuclear powers, and of the propriety and value of the continued military buildup being witnessed as we move toward the 21st Century.

We cannot claim that these re-examinations are simple matters. The issues of military spending and nuclear armaments are complex ones, involving the very nature of how we as a nation deal with other nations, what we find necessary to provide for the common defense as well as allowing us to promote the general welfare, and what are the most effective means of responding to the threat of totalitarianism in other parts of the world. These are issues that have many dimensions: political, social, economic, cultural. But most importantly, in my view, these issues also have a deeper dimension. That is the Christian moral dimension, which I would like to speak about briefly this afternoon.

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Catholics and other Christians are entering into a profound re-examination of military posture and military spending because we are coming to the understanding that these military buildups, and, specifically, the continued development, possession and threatened use of nuclear weapons, pose a great challenge to our faith. It is a crisis of faith for us because we feel that no argument consistent with the basic principles of Catholicism or Christianity, namely, the sacredness of human life and the unique dignity of the individual person, can be made to support the present military situation of the world.

Chiefly, in terms of nuclear power, we find that in rough equivalents the United States has more than 9,000 nuclear warheads and the Soviet Union has about 8,000. This does not include the warheads in the possession of other world powers, such as Britain and France. This situation is a rough parity, which presents us with the unique opportunity to now work to reduce nuclear arsenals rather than to increase them.

I am convinced that many people do not feel secure in the face of the present nuclear situation. In fact, most people who I have met have said that they are feeling less secure. What is more, the continued threat of nuclear war is destroying a sense of hope for the world. Reports are coming to us that children are living with the notion that there will be a nuclear war in their lifetime. As a bishop, I am at the center of a network of people, parishes and institutions of education, health care and social services. Within this community of believers dedicated to the values and teachings of Jesus, the bishop has a great challenge to invite them to study, to research, and to act in seeking alternatives to war. At present, we do not know how to create alternatives to war. We know only how to play upon fear, to avoid conflict by creating the potential to wage ultimate war. This is not peace. The Romans used to say, "If you want peace, prepare for war." We are trying to say, "If you want peace, prepare for peace."

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However, in my judgment, this nation is not preparing for peace. It is preparing for war. This Subcommittee will be considering proposals from the Department of Defense, suggestions, programs, appropriation requests, which bring military spending to the tens of billions of dollars. We expect this to serve as a source of our strength, as a deterrent, as a sign of power and of fortitude. It might be that. It might be considered a "peace of sorts," a balance of nuclear terror. But this military spending is so much more, the continued situation of nuclear weaponry is so much more. George Kennon, former Ambassador to Russia, has said: "This entire preoccupation with nuclear war, a preoccupation which appears to hold most of our government in its grip, is a form of illness. It is morbid in the extreme. There is no hope in it, only horror. It can be understood only as some form of subconscious despair on the part of its devotees, a readiness to commit suicide for fear of death, a state of mind explicable only by some inability to face the normal hazards and vissitudes of the human predicament, a lack of faith or perhaps a lack of the very strength that it takes to survive."

And although we have yet to wage nuclear war, the nuclear arms race has already claimed its first victims. There is the destruction of hope that has occurred in the hearts of so many young people. And there is the much more graphic, more compelling, results: the diversion of national and world resources from the needy. Our faith calls us to minister to the unclothed, the unfed, the unhoused. Yet this is not the case. Every day, it is estimated that 41,000 people around the world die of hunger or of the complications of hunger and malnutrition or chronic undernutrition. Projections show that in this country, there are more poor people now than there were 10 years ago. The poverty level of a family of four has reached more than $9,000, and yet people in America have not been able to break that cycle of poverty. We are facing a national situation unheard of since the Depression: double-digit inflation, double-digit unemployment and double-digit interest rates. There is no immediate end in sight for this.

And this worsening set of problems brings us to some very basic questions:

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How much is enough?

Can continued or increased expenditures on the arms race be justified in light of urgent human needs in a world of poverty?

Is it realistic to expect that nuclear war can be fought on a limited basis?

Is it morally responsible for policy makers to suggest that nuclear wars can be won?

What is the moral responsibility of citizens and policy makers to maintain the quest for arms limitation and eventual nuclear disarmament on the national agenda?

What justification, if any, is there for research and development of biological and chemical weapons?

These are questions that we have not effectively answered for ourselves or for the people of the world. They are questions, however, which demand an answer, which demand the response of our faith, which demand us to listen to the call to bring a world not of fear, but of trust, not of the avoidance of war, but of peace.

I agree with John Coleman, SJ (in the article appearing in the Fall 1981 Chicago Studies) when he states that, "One major effect of just war thinking is that it tends to view reality through the fore-shortened lens of a bi-polar world, and to base deterrents on balances of power instead of on the achievements of new institutions which could enable limits on war. It also tends to factor out the global justice implications of war when speaking about the proportionality principle. When the efects of a continued, let alone escalating, arms race is seen against the backdrop of the impact of military expenditure on global justice, a very new factor enters into the calculus of the proportionality principle of the Jus Ad Bellum." One element of a just war is that it be a proportional reaction to the aggression which had been directed against the party responding in kind. Nuclear war cannot fall within this principle and on that alone, Catholic teaching does not support continued development and threatened use of nuclear weapons.

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Answering these questions will bring us face-to-face with the demands of our own faith. And it will help us to realize how important the situation is to the people in this country, not only Catholics and Christians, but all Americans. At the opening of the United Nations Second Special Session on Disarmament, more than 750,000 arrived in New York City to demonstrate their support for the international effort to control the arms race. The Special Session close just a few days after it had opened, but with much less fanfare. Many observers have lamented the international situation at the close of this session, some have already called it a "collapse." In this nation, we seem to be departing from those basic answers and from those basic questions. The United States is becoming known around the world as a nation which is expert at spending money on sophisticated, exotic military hardware.

Beyond the diversion of resources, beyond the mentality of war which is inconsistent with the Christian message of peace, beyond the dangerous economic condition being in part aggravated by runaway military spending, lies the fundamental threat of nuclear war itself. There is no proportionality to nuclear war. There is no limited nature to this type of war.

And there is no escape from this war. On top of all of the spending on armaments, we are being asked to accept another illusion. This Administration is asking $4.2 billion for a civil defense program to relocate millions of people in the event of a nuclear crisis or attack. A measure to cut the first $252 million of this expenditure has already failed in this House.

We have deep concerns, deep problems, with this civil defense plan because we feel it will only hasten the hour of nuclear war. It will lead us to believing that such a war is "winnable." Nothing could be further from the truth. It will lead us to believing that we can escape destruction. But we cannot escape ourselves.

Nor can we escape the fact that we are witnessing the greatest military buildup in peacetime in our national memory.

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In this time, the present Administration is asking for development or construction, in various stages, of a variety of weapons systems. I will mention just a few here, for they become a litany of what this nation is itself becoming: the Trident submarine, the B-1 Bomber, the cruise missile, the neutron bomb, the MX missile, the Grumman/Northrop F-14 fighter plane, four new aircraft carriers, the Pershing II missile, the Trident II missile, anti-ballistic and anti-submarine warfare systems, the Stealth bomber, the "Stealth" cruise missile, the Axe missile, new tanks and new helicopters. If this House of Representatives had not defeated the measure, this country would become involved in new research and development of nerve gas. And another decision on a bomber-class plane is yet to be announced by the Department of Defense.

The United States has a tremendous overkill capacity of its nuclear arsenal. And it is the largest producer of arms in the world and the largest seller of arms around the world. It is reported that Government cash sales of arms are expected to rise from $8.7 billion this year and commercial weapons exports are estimated to rise from $1.8 billion this year and $2.1 billion in 1983.

We recently commemorated the anniversary of the bombing of Hiroshima, a day to be remembered if only because it is the day that the nuclear bomb was introduced to the world, to change the course of human history forever. On that day it was announced that the United States had conducted a test of an atomic weapon, underground, in the Southwest. It was the 11th such test this year. And Energy Secretary James Edwards, who was on hand for the test, said it was "exciting" and stated that the United States made the right decision in dropping the bomb on Hiroshima, and Nagasaki. The Japanese, commemorating the Hiroshima event, were given to announce that the timing of this test was particularly offensive.

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We as Catholics, as Christians, believe in more than avoiding war. We believe in bringing peace. And armaments will not bring peace. They bring the absence of war, which is a neutral tension. They bring a standoff of arms, which is a delicate stalemate. They bring the terror of total destruction, the weapons of omnicide, which has been with us for more than 30 years and is brought closer with each new massive defense budget. And they sap the resources of the world from programs which can be more effective in bringing both peace and security, programs designed to speak to the Christian commitment to hear the call of the needy, the poor, the destitute.

That is why I and the Baltimore Archdiocese Justice & Peace Commission, along with many other organizations and many members of this Congress, strongly support the measure in the Senate, known as S. 1389, to establish a National Peace Academy. We have learned in our history, quite well, how to wage war. We have learned, to some degree, how to forestall conflict which leads to war.

But we have not yet learned how to bring peace, how to make peace and how to wage peace. I ask you as these various Defense Department measures are considered, to consider also the questions raised in our situation, the questions which I have mentioned. Our Christian commitment speaks to us in these times, for they are the times of moral crisis, of the challenge of faith. We are entering an era where armaments and nuclear weaponry have exceeded the very basic concepts of our moral systems. And we must learn to bring this era to a close, to reverse it, and to build a future that would be more than no future at all. A new future.

We owe this to ourselves, to the generations to come, and to the basic love and commitment to humanity which exists in all faiths, and which we as Christians share.

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Mr. HEFNER. Thank you for a very good statement. I would like to ask, do you think the churches are getting more involved and more concerned about the proliferation or the potential future proliferation of nuclear weapons? The reason I ask the question, you mentioned the political ramifications. There is an awful lot of religious organizations or charismatic ministers that are very strong supporters of more nuclear weapons and stronger national defense or potentially stronger national defense, and that we are going to have to close that window of vulnerability and we have to spend more money on arms and our military complex and that one is somewhat of a traitor to freedom if one espouses programs that are socially oriented, which seems to be a contradiction to me.

I am a Southern Baptist and a southerner from North Carolina, raised in Alabama. It seems there are direct contradictions in some of the positions that supposedly dedicated Christian people take. I don't agree with all the positions that you may have here today. Even though I would be a strong supporter of a national defense, I am also a strong supporter of supporting appropriations and programs that help people.What are your views?

Bishop MURPHY. Yes.

Mr. HEFNER. How do you argue this point?

Bishop MURPHY. Mr. Chairman, I would say, first of all, the Roman Catholic position would be different from the one Dr. Sisk mentioned. We have a systematic social doctrine that goes back 90 years in the international teaching of the Holy Fathers. Pope Pius XII, Paul VI, and John Paul II have been talking about this nuclear threat for 25 years. I recognize our tradition is different. However, I think both of them are based on the idea that we must take care of the poor.

I believe we have to form our conscience independently from another nation.

I do not deny the reality of the Russian threat, the Soviet threat. I believe as a church we have to put our arguments forth, as a Roman Catholic bishop, recognizing I have to debate that with the Moral Majority or others who disagree with my understanding. I personally feel I am right.

I also feel there is a risk involved either way. Right now for 37 years we have had a race that unfortunately was not critiqued by church groups. I hold myself partially responsible for that. I believe there is a tremendous convergence of professions and religions today looking upon this question much differently from a few years ago.

Mr. HEFNER. Thank you, sir.

Bishop MURPHY. Thank you very much.

WEDNESDAY, AUGUST 11, 1982.

UNITED CHURCH OF CHRIST

WITNESS

GRETCHEN EICK, POLICY ADVOCATE, UNITED CHURCH OF CHRIST, OFFICE FOR CHURCH IN SOCIETY

Our next witness is Ms. Gretchen Eick, United Church of Christ, Office for Church in Society.

Ms. EICK. Thank you, Mr. Chairman.

Mr. HEFNER. We are trying to limit our testimony to ten minutes. Your entire statement will be placed in the record.

STATEMENT OF MS. EICK

Ms. EICK. This is my third opportunity to appear before the subcommittee. I appreciate the opportunity and commend the chairman for providing this opportunity for citizens as we have seen here in these two days numerous people coming forward to testify on this very important part of the appropriations process.

I am Gretchen Eick, Policy Advocate for the United Church of Christ, Office for Church in Society, charged with the advocating to the Federal Government foreign and military policies endorsed by the General Synods of the United Church of Christ. The United Church of Christ is a Protestant denomination of 1.7 million members coming from the Congregational and Evangelical and Reformed traditions who merged to form the United Church of Christ just 25 years ago.

You had before you this year requests to testify from United Church of Christ members from Massachusetts, New York, North Carolina, Florida, Michigan, Wisconsin, California, Illinois, Oregon, and Washington State, and included among those requests are requests from constituents and public testimony here today and yesterday from constituents of members of this subcommittee, Congressman Conte, Congressman Chappell, Congressman Dicks, and Congressman Hefner. You have several more coming up behind me today.

Their presence here or their written statements is one reflection of the concern about the nation's new militancy and the preparations for war that has been sweeping throughout our church over the last two years, particularly since one year ago, the adoption of peace as one of the priorities for our church's program in the next four years.

LIMITED NUCLEAR WAR

The concern is generated by loose talk about limited nuclear war, which we are all aware of, and a realization the decisions you

make as you mark up the appropriations bill for 1983 have a lot to do with what happens with the military policy of this country.

This past June a delegation of our local church pastors and lay people spent a week meeting with their counterparts in our partner church in West and East Germany, coming together specifically around the issue of how the church can work to preserve the peace and to prevent war. One of the members of that delegation, Reverend Jim Todhunter, from Vermont, is here today.

The statement which emerged from that historic meeting affirmed that "the use of the nuclear weapons . . . is a sin against God" and called on NATO not to deploy the new cruise and Pershing II missiles in Europe. It also called on the Congress of the United States not to fund production of chemical weapons and urged "the U.S., the USSR and other powers to place a moratorium on the construction and deployment of all weapons of mass destruction."

Each of you on this subcommittee is aware that the deep concern about what appears to be a march toward World War III is not coming from only the pacifist community. We heard several testimonies referring to the number of people who turned out in New York on June 12. You know from your own districts this is not just happening in New York City but all over the country.

Three hundred people came out for a similar demonstration in Alabama in Congressman Edwards district. Congressman Dicks is probably aware that there have been five public forums in his district. There are organizations which are strong supporters of the nation's defense coming out with resolutions like that passed by the UAW International Executive Board this past June which said, "The greatest challenge facing us is to prevent the occurrence—whether by accident or by design—of nuclear war."

As millions of Americans are coming to the conviction that war prevention is the most important "cause" of this historic moment, their political savvy is growing and they are realizing the importance of this subcommittee in determining nuclear weapons policy by the funding decisions you make.

The fact that an unprecedented number of public witnesses—twice as many as ever before—have requested to testify before this subcommittee is evidence that your importance is newly recognized and that your votes and funding decisions will be noted not only by your constituents but by the broader American public.

In the United Church of Christ we have focused on a number of weapons systems I am including in my testimony. I will name them and focus on three of them.

Our policy statements have included opposition to a number of systems included in this fiscal year 1983 appropriations bill for funding requests, some of them for procurement and some in RDT&E. They include the MX; chemical weapons, or binary; additional strategic weapons like the Trident missile system, which the President determined to add to our arsenal; the neutron bomb he decided to proceed with a year ago last August; and theater nuclear weapons; the Pershing IIs and the ground-launched cruise missiles for Europe.

MX SYSTEM

I will look at a couple of those systems. The one I want to look at first is the MX. Seven of you on this subcommittee showed the Congress you were capable of making independent, wise judgments when you voted not to fund the MX for 1982. Your decision was overturned by two votes in the full Appropriations Committee and the MX was funded for this current year.

The fiscal year 1983 appropriation requested by the administration includes $1.45 billion for the actual production of the first nine MX missiles. So the decision that you make—and we hope your rejection of those MX procurement funds—becomes even more important this year than last year.

We urge you not to fund the construction of this new ICBM, which will put in danger this planet which we love, and which we are all responsible for protecting. Because of its accuracy and explosive power which is twice that of the strategic weapons we now have, the MX is much more threatening to the 70 to 75 percent of Soviet strategic weapons which are ICBMs, threatening not as a retaliatory weapon but as a silo-busting weapon.

There is little reason to have a silo-busting weapon to use against empty Soviet silos, i.e. after Soviet missiles have been launched against the United States. Coupled with President Reagan's rejection of a no-first-use of nuclear weapons policy, the production of MX missiles, will raise the level of Soviet paranoia and anxiety and make a preemptive strike by them on us or by us on them much more likely.

This is particularly true if the MX are placed in our existing Minuteman and Titan silos: the fact that those locations are known to the Soviets will place additional "use them or lose them" pressure on the U.S.

Earlier testimony this morning referred to the nuclear weapons accidents, the three alone recorded in 1980 which brought our strategic forces to alert and indicated that through a computer error, the Soviets had indeed launched nuclear missiles against the United States. The added pressure toward pre-emptive strike which the MX will bring to our accident-prone hair trigger on nuclear weapons will dramatically decrease our national security.

We urge this subcommittee to eliminate the $2.7593 billion in the President's fiscal year 1983 request for RDT&E on MX and the $1.4464 billion for MX procurement.

We are most distressed to see that only Chairman Addabbo and Congressman Dicks of this subcommittee opposed the Stratton substitute for the Mavroules-Byron amendment to the Defense authorization.

We hoped the House would have passed, amendment which would have taken out the money and the authorization for building the first nine MX missiles. The authorization did pass the House by three votes and Mr. Chappell, Mr. Edwards, Mr. Ginn, Mr. Hefner, Mr. McDade, Mr. Murtha, Mr. Robinson, Mr. Wilson, and Mr. Young all voted to proceed with those first nine.

Had four of the nine members of this subcommittee voted consistent with their votes in the subcommittee last fall, the authorization for building these silo-busting first-strike missiles would

have been defeated by both houses. The issue wouldn't be before you today.

We do commend the votes on July 21 of Congressman Dicks and Congressman Addabbo and hope the rest of you will reconsider your position and think over the implications of proceeding to actual procurement of the MX missile.

CHEMICAL WEAPONS

With regard to chemical weapons, because of time limitations, although we did a lot of work on that issue and you have already heard from Dr. Rutman of the University of Pennsylvania and you have submitted into the public record testimony from a group in Oregon that has done a lot of research, I am appending a number of items on this issue including a letter from Saul Hormats, the Army's former director of the chemical weapons program.

Also appended is a letter from Admiral Eugene Carroll, Center for Defense Information, addressing this issue, written in response to a request from Congressman Zablocki.

Suffice it to say we are strongly opposed to the production of lethal nerve gas weapons and hope you will strike the $54 million from this bill if the conference committee now meeting goes ahead with authorization of binary production.

TRIDENT II MISSILE

Skipping down to the Trident II, or the D-5 submarine missile, which has been dealt with lightly in these hearings, roughly half of our nuclear warhead inventory is carried on submarines. According to the Congressional Budget Office's report on "The U.S. Sea-Based Strategic Force: Costs of the Trident Submarine and Missile Programs and Alternatives" (February 1980) page 8, "The Navy currently expects that virtually all SSBNs at sea would survive to perform their retaliatory mission. The Soviet's ability to locate and destroy U.S. SSBNs is believed to be extremely limited, and no major advances in this are foreseen in the near future." That same report goes on to say that "At present SLBMs lack sufficient explosive power and accuracy to destroy targets hardened against nuclear blast, such as missile silos, nuclear weapons storage sites, or command centers . . . (and therefore) present very little threat to an enemy's land-based ICBM, they give the enemy no incentive to launch its ICBMs out of fear of losing them. In short, SLBMs do not provoke enemy ICBM attacks." (Page 10.)

I think that is an important point since we have so many nuclear weapons carried on submarines. Since proceeding to produce the D-5 or Trident II will change the submarine force, that 50 percent of our nuclear force, from a retaliatory force to a first-strike force, that is very important.

With its increased accuracy and explosive power and ability to escape Soviet detection and faster delivery time, the submarine missiles will be a very destabilizing weapon. Moreover, it will be capable of using depressed trajectory technology within about two years, which will shorten its flight time even further.

We have heard several comments about that today. The Soviets will know where our Pershing IIs and the MX interim-based in

Minuteman silos are located, but would be in the dark about the location of Trident II/D-5. In sum, this missile is provocative, unlike our current retaliatory SLBM force, and this new SLBM is even more destabilizing than either of these two new ICBMs in this appropriation.

We urge you to reject President Reagan's request for $366.7 million for research and development of this silo-busting/hardened target strategic nuclear warhead.

NEUTRON BOMB.

Another weapons system I want to mention is the neutron bomb. Because outcry in Europe over the bomb was so great, President Reagan's decision last August to develop and deploy enhanced radiation weapons on neutron bombs has received little attention. The figures in the administration's request for 1983 are classified.

We assume the decision of last August to develop and deploy them does mean the bill you are about to mark up does contain funds to begin production of these highly controversial weapons. They are not new. They have been debated since 1960. They have been shrouded in secrecy during this period.

First they were intermingled with ABM, then in 1976 President Ford secretly authorized their production for stockpiling for Lance missiles and 8" artillery guns; and now they are the great unknown of our nuclear weapons systems. They have been promoted as a battlefield weapons which would serve as anti-tank weapons, since they can penetrate Soviet tank armor and kill off tank crews; they have been promoted as "humane" and as mini-nukes which could be used without escalation to strategic nuclear weapons.

We deplore the secrecy surrounding ERW. As you determine whether you will endorse funding their production, we urge you to remember that neutron bombs are nuclear weapons, not conventional weapons; they kill with blast, heat and prompt radiation as well as with neutrons. ERW for Lance missiles are one-kiloton nuclear bombs, and will produce the same levels of blast damage as experienced 37 years ago at Hiroshima. "Under actual war conditions no local commander, much less a national decisionmaker, could readily tell whether a neutron weapon or some other kind of nuclear weapon had been employed by the enemy."

It is worth noting that former Secretary of Defense under the Kennedy Administration, Robert MacNamara, stated in an interview with Robert Scheer published in the Washington Post August 1, 1981, that one of the major dangers at this moment is the blurring of the Maginot Line between unclear and conventional weapons through the development of nuclear weapons with characteristics which make them appear more like conventional weapons and make their use more likely under the illusion that their use would not lead to the use of planet-destroying strategic nuclear weapons. His example was the neutron bomb.

We hope as you decide whether to fund enhanced radiation weapons production, you will think seriously about the erosion of this "firebreak" between nuclear and conventional weapons which comes with their production.

I will not go any further in terms of specific weapon systems. I call your attention to a quote in my testimony referring to the ground-launched cruise missiles and the Pershing IIs from Major General Gert Bastian, retired former commander of the 12th Armored Division of the West German Army. He issued a major policy statement last year on these two weapons that has a lot of interesting information in it. I will conclude with a quote from his statement:

"Whatever the other side does in peacetime," he concludes, "nuclear weapons must never be developed and deployed in the West to conduct war. They should serve only one urpose, to make nuclear war impossile by virtue of the threat of retaliation they pose, and their technical specifications should correspond unmistakably with this purpose. Every other type of nuclear armament brings a 'nuclear war in Europe' dangerously near. It is in the interest of Europeans to oppose these weapons if they do not wish Europe to one day become a nuclear battlefield."

Our time is up. I close with the recognition of the mind-boggling job before you in deciding on the hundreds of military programs and weapons systems for which the President has requested funding.

We hope you will have the wisdom of Solomon as you decide what programs to fund and whether this nation will spend $234 million per hour on its military from now through 1986—$234 million per hour is what the President's military spending request over the five years 1981-1986 amounts to averaged out according to the UAW's Solidarity.

Thank you for your attention to these recommendations.

[The statement of Ms. Eick follows:]

TESTIMONY BEFORE THE DEFENSE SUBCOMMITTEE
HOUSE APPROPRIATIONS COMMITTEE

BY

Gretchen Eick
United Church of Christ
Office for Church in Society

August 11, 1982

Chairman Addabbo and other members of the Defense Appropriations Subcommittee, I am Gretchen Eick, policy advocate for the United Church of Christ Office for Church in Society, charged with advocating to the federal government foreign and military policies endorsed by the General Synods of the United Church of Christ. The United Church of Christ is a Protestant denomination of 1.7 million members coming from the Congregational and Evangelical and Reformed traditions who merged to form the United Church of Christ just twenty-five years ago.

UCC members have requested to testify before this subcommittee from Massachusetts, New York, North Carolina, Florida, Michigan, Wisconsin, California, Illinois, Oregon and Washington State. Included among them are constituents of Congressmen Conte, Chappell, Dicks, and Hefner, members of this Subcommittee. Their presence here, or their written statements (several of them are on vacation, two in Europe and thus unable to present their testimony in person) is one reflection of the concern throughout our church over our nation's new militancy and preparations for war, concern about President Reagan's loose talk about the possibility of using nuclear weapons in a "limited" fashion, concern about your Subcommittee's pending decisions on funding preparations for nuclear war-fighting. All over this country our churches have been taking up the cause of peace, clergy preaching sermons, church councils endorsing a mutual US/Soviet freeze on nuclear weapons production, testing and deployment, adult classes examining military policies and weapons systems, numbers of members asking those of us who work on national staff how they can withhold their portion of the $15,800 the average taxpaper will pay

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the Pentagon over the 1981-1986 period of unprecedented military spending, and literally thousands signing up for an information network which will let them know, among other things, how their representatives and senators vote on military programs like MX, B-1, and chemical weapons.

In June a delegation of our local church pastors and laypeople spent a week meeting with their counterparts in our partner church in West and East Germany, coming together specifically around the issue of how the church can work to preserve the peace and to prevent war. The statement which emerged from that historic meeting affirmed that "the use of the nuclear weapons...is a sin against God" and called on NATO not to deploy the new cruise and Pershing II missiles in Europe." It also called on the Congress of the United States not to fund production of chemical weapons and urged "the US, the USSR and other powers to place a moratorium on the construction and deployment of all weapons of mass destruction."

Each of you on this Subcommittee is aware that the deep concern about what appears to be a march toward World War III is not coming from only the pacifist community. Three-quarters of a million Americans, most of them middle aged and middle class, came from all across the country to witness with their presence to their fear that nuclear war lurks just around the corner and their conviction that it can be prevented by courageous actions by our government including a mutual freeze on nuclear weapons. Over 300 came out for a similar demonstration in Mobile, Alabama, in Representative Edwards' district. Congressman Dicks is probably aware that five public forums have been held in his district since April on nuclear weapons and the story is much the same in most of your districts. New support for not funding new nuclear weapons systems is coming from organized labor with the endorsing of a nuclear freeze and statements like that passed in June by the UAW International Executive Board: "The greatest challenge facing us is to prevent the occurrence--whether by accident or by design--of nuclear war."

As millions of Americans are coming to the conviction that war prevention is the most important "cause" of this historic moment, their political savvy is growing and they are realizing the importance of this Subcommittee in determining nuclear weapons policy by the funding decisions you make. The fact that an unprecedented number of public witnesses--twice as many as ever before--have requested to testify before this Subcommittee is evidence that your importance is newly

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recognized and that your votes and funding decisions will be noted not only by your constituents but by the broader American public.

Many people are increasingly discouraged and even demoralized when they see--despite the public support for preventing further escalation of the arms race and despite the judgment of many military experts that the MX should not be built--elected officials in the House of Representatives voting to authorize production of the first nine MX missiles. The vote August 6 204 to 202 for the empty rhetoric of the Broomfield amendment instead of the real mutual nuclear freeze amendment which was brought to the House by the Foreign Affairs Committee is similarly disillusioning to the public.

Seven of you on this Subcommittee showed the Congress a year ago that you were capable of making independent judgements (and, we believe, wise judgements) when you voted not to fund the MX for FY82. Since the FY83 appropriation requested by the Administration includes $1.45 billion for actual production of this first-strike weapons system, your rejection of MX funds is even more important this year.

We urge you not to fund the construction of this new ICBM which will put in danger this nation which we love and this planet which we are all responsible for protecting. Because of its accuracy and explosive power, twice that of strategic weapons we now have, the MX is much more threatening to the 70-75% of Soviet strategic weapons which are ICBMs, threatening <u>not</u> as a retaliatory weapon but as a silo-busting weapon. There is little reason to have a silo-busting weapon to use against empty Soviet silos, i.e. after Soviet missiles have been launched against the United States. Coupled with President Reagan's rejection of a no-first use of nuclear weapons policy, the production of MX missiles, will raise the level of Soviet paranoia and anxiety and make a pre-emptive strike by them on us or by us on them much more likely. This is particularly true if the MX are placed in our existing Minuteman and Titan silos: the fact that those locations are known to the Soviets will place additional "use them or lose them" pressure on the US. We know there were at least three times in 1980 alone when US strategic forces were within minutes of launching a nuclear attack on the USSR due to a computer error which indicated the Soviets had launched missiles against the US. The added pressure toward pre-emptive strike which the MX will bring to our accident

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prone hair-trigger on nuclear weapons will dramatically decrease our national security.

We urge this Subcommittee to eliminate the $2.7593 billion in the President's FY83 request for RDT&E on MX and the $1.4464 billion for MX procurement.

We were most distressed to see that only Chairman Addabbo and Congressman Dicks of this Subcommittee opposed the Stratton substitute for the Mavroules-Byron amendment to the Defense Authorization. The Mavroules/Byron amendment would have cut $1.14 billion for procuring the first nine MX missiles an action taken by the Senate Armed Services Committee and sustained by the full Senate. The authorization for procuring these first nine MX missiles, you will recall, passed the House by only three votes July 21. Mr. Chappell, Mr. Edwards, Mr. Ginn, Mr. Hefner, Mr. McDade, Mr. Murtha, Mr. Robinson, Mr. Wilson and Mr. Young voted for proceeding to build the first nine MX. Had four of the nine members of this Subcommittee voted consistent with their votes in this Subcommittee last fall on the MX, authorization for building these silo-busting first strike ICBMs would have been defeated by both houses. We commend Mr. Dicks and Mr. Addabbo for their vote and urge the four members of this Subcommittee who changed their MX votes July 21 from the position they took in this Subcommittee to prayerfully reconsider their position before this Subcommittee marks up the FY83 appropriation. Should you on this Subcommittee do as you did last year, recommend to the full Appropriations Committee no funding for MX procurement, that same July 21 vote on the House floor would indicate that your colleagues on the full Appropriations Committee would likely sustain such a recommendation.

Our concern goes beyond that one ICBM. The United Church of Christ has through its biennial General Synods adopted policy statements opposing a number of other weapons systems included in President Reagan's request for FY83: chemical weapons, ABM systems, additional strategic nuclear weapons (specifically the Trident II submarine missile the President determined October 2 to add to our arsenal and the neutron bomb which he decided to proceed with in August 1981), and theatre nuclear weapons (Pershing IIs and ground-launched cruise missiles) for Europe.

Regarding chemical weapons:

Because of the time limitations set for this testimony and because you are hearing from Dr. Robert Rutman of the University of Pennsylvania, who has delivered

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papers on this subject to the American Chemical Society symposia, and are receiving written testimony from United Church of Christ member Evelyn Murray, herself an expert on this subject, I will not go into all of our reasons for urging you to reject funding of binary chemical weapons ($54 million in procurement) and will refer you to the four items appended to my testimony: 1) an article I have written on this subject, 2) a lengthy letter to Congress from Saul Hormats, the former director of the Army's chemical weapons program with thirty-seven years experience in the field, 3) excerpts from the most recent House hearings on chemical weapons (July 13 before Chairman Zablocki's International Security and Scientific Affairs Subcommittee), and 4) a letter from Admiral Eugene Carroll of the Center for Defense Information to Mr. Zablocki. Suffice it to say many people throughout the United Church of Christ have actively opposed new production of chemical weapons and we strongly urge you to eliminate funds for binary nerve gas from this and subsequent appropriations.

Regarding the BMD:

The administration is considerating funding of a new Ballistic Missile Defense system. While I am not sure about the BMD funds in the President's request, I suspect you will be considering a request for BMD procurement sometime during this Administration. I would call your attention to an article in this spring's issue of Foreign Policy by Michael Nacht entitled "ABM ABCs", to his conclusion that pursuing BMD at this time would not be in the US interests, would aggravate the arms race in offensive nuclear weapons, would require abrogating or renegotiating the 1972 ABM treaty, and would add to the current low estimate of $180 billion for our strategic build up an additional $5 billion per year.

Regarding the Trident II or D-5 submarine missile:

Roughly half of our nuclear warhead inventory is carried on submarines. According to the Congressional Budget Office's report on "The US Sea-Based Strategic Force: Costs of the Trident Submarine and Missile Programs and Alternatives" (February 1980) p.8, "The Navy currently expects that virtually all SSBNs at sea would survive to perform their retaliatory mission. The Soviet's ability to locate and destroy US SSBNs is believed to be extremely limited, and no major advances in this are forseen in the new future." That same report goes on to say that "At present, SLBMs lack sufficient explosive power and accuracy to destroy targets hardened against nuclear blast, such as missile silos, nuclear weapons storage sites, or command centers...(and therefore) present very little threat to an enemy's land-based ICBM, they give the enemy no incentive to launch its ICBMs out of fear of losing them. In short, SLBMs do not provoke enemy ICBM attack."(p.10)

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If we proceed as President Reagan has requested to produce the new Trident II/D-5 submarine missile --a hardened target/silo busting super accurate missile-- the retaliatory and unprovocative nature of the submarine leg of our triad will be lost, and the level of anxiety and paranoia between the US and the Soviety Union--and therefore the danger of nuclear war--considerably increased. With its increased accuracy and explosive power, its ability to escape Soviet detection through submarine mobility, and its faster delivery time, the Trident II/D-5 submarine missile will be a very destabilizing weapon. Moreover, it will be capable of using depressed trajectory technology within about two years, which will shorten its flight time even further. The Soviets will know roughly where Pershing IIs or MX interim-based in Minuteman silos are located, but would be in the dark about the location of Trident II/D-5. In sum, this missile is provocative, unlike our current retaliatory SLBM force, and this new SLBM is even more destabilizing than either of these two new ICBMs in this appropriation.

We urge you to reject Present Reagan's request for $366.7 million for research and development of this silo-busing/hardened target strategic nuclear warhead.

Regarding the neutron bomb:

Because of the public outcry in Europe over the neutron bomb, President Reagan's decision last August to develop and deploy enhanced radiation weapons (neutron bombs) has been down-played by the Administration. The figures in the President's defense appropriation request for FY83 are classified, but we assume that his decision of August 1981 to develop and deploy them means that the bill you are about to mark up contains funds to begin production of these highly controversial weapons. ERW are not new; they have been debated since 1960, according to George Kistiakovsky, and they have been shrouded in secrecy during most of these twenty years. First they were intermingled with ABM, then in 1976 President Ford secretly authorized their production for stockpiling for Lance missiles and 8" artillery guns; and now they are the great unknown of our nuclear weapons systems.

They have been promoted as a battlefield weapons which would serve as anti-tank weapons, since they can penetrate Soviet tank armor and kill off tank crews; they have been promoted as "humane" and as mini-nukes which could be used without escalation to strategic nuclear weapons. The Pentagon has wanted them produced not only for Lance missiles and 8" artillery guns but also for the Army's most common munition, the 155 mm. artillery shell. We deplore the secrecy surrounding

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ERW. As you determine whether you will endorse funding their production, we urge you to remember that neutron bombs are nuclear weapons, not conventional weapons; they kill with blast, heat and prompt radiation as well as with neutrons. ERW for Lance missiles are one-kiloton nuclear bombs, and will produce the same levels of blast damage as experienced thrity-seven years ago at Hiroshima. "Under actual war conditions no local commander, much less a national decisionmaker, could readily tell whether a neutron weapon or some other kind of nuclear weapon had been employed by the enemy." (Source: Spurgeon M. Keeny, Jr., and Woldgang K.H. Panofsky, "MAD Versus NUTS", Foreign Affairs (Vol. 60, No. 2: Winter 1981-82) p. 297.

It is worth noting that former Secretary of Defense under the Kennedy Administration, Robert MacNamara, stated in an interview with Robert Scheer published in the Washington POST August 1, 1981 that one of the major dangers at this moment is the blurring of the Maginot Line between nuclear and conventional weapons through the development of nuclear weapons with characteristics which make them appear more like conventional weapons and make their use more likely under the illusion that their use would not lead to the use of planet-destroying strategic nuclear weapons. His example was the neutron bomb.

We hope as you decide whether to fund enhanced radiation weapons production, you will think seriously about the erosion of this "firebreak" between nuclear and conventional weapons which comes with their production.

Regarding ground-launched cruise missiles (GLCMs) and Pershing IIs:

Included in the President's appropriation request for FY83 is $498.3 million for procurement of Pershing II missiles for West Germany; $111.3 million for Pershing II RDT&E; $519.9 million for nuclear ground-launched cruise missile procurement for deployment in Italy, Belgium, Great Britain and the Netherlands; and $28.6 million for GLCM RDT&E. We urge you not to fund procurement of these two nuclear weapons systems.

Intermediate nuclear forces talks between the US and the Soviets have been going on since November 30. This is the wrong time to proceed with production of these nuclear systems which have been so central an issue in those talks and so hightly controversial within each of the five nations due to receive them. Christopher Bertram, Director of theInternational Institute for Strategic Studies in London, has written that the original support in Europe for these weapons grew not so much from Soviet behavior as from "an uneasiness about the Alliance (NATO) itself", in other words, fear that the United States was retreating from its

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historic acceptance of responsibility to defend Europe by retaliating against a possible Soviet nuclear attack on Europe with US nuclear weapons. (p. 307 Bertram's article in Foreign Affairs, Winter 1981-82, "The Implications of Theatre Nuclear Weapons in Europe.") Now, he goes on to say, with all the US talk of using nuclear weapons in a "limited" war in Europe, "deployment (of these weapons) has become, for much of the critical European public, counterproductive to arms control." (p. 318).

Other European military experts, such as Major General Gert Bastian (Ret.) former commander of the 12th Armored Division of the West German Army, have come out quite openly in opposition to the ground-launched cruise missiles and Pershing IIs, viewing them as in times of particular tension provoking a Soviet preemptive strike against their European deployment fields, a first step to all-out nuclear war. Bastian's thoughtful paper is excerpted here for your consideration.

> "Although the technical specifications of the SS-20 do not appear to be fully clarified, it can hardly be described as possessing first-strike capability. A first strike promises success only when decisive advantages can be derived. The SS-20 can neither reach the territory of the Western superpower nor decisively impair its ability to conduct war nor even drastically reduce the retaliation potential of the West. It should also be assumed that the mobility and range of the SS-20 within large deployment areas allow a state of readiness guaranteeing a high survival rate. Therefore, a preemptive attack poses no threat.
>
> The situation in the West, following the deployment of Pershing II and Cruise Missiles on the European continent and in the British Isles, must be judged quite differently. On the one hand, these systems provide the USA with the previously mentioned potential to hit the Soviet Union in her most sensitive region and thereby substantially reduce the ability of the Eastern powers to wage war. This is especially true when the military targets, toward which the new weapons will primarily be directed, are located in places which have been revealed during peacetime. On the other hand, the low survival rate of these land-based systems in these limited deployment areas must lead the Soviet Union to feel almost compelled to strike preemptively in times of extreme tension, where the failure of deterrence can no longer be excluded.

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In this case it is inconsequential whether NATO is actually planning a first strike or not. The decisive factor is simply whether this potential leads to fear on the part of the adversary that this could be the case. The effect does not appear with second strike weapons. It is therefore unrealistic to believe that the placement of the planned land-based mid-range systems in Europe would be perceived by the Soviet Union as simply NATO's response to the SS-20, just because the West justifies its plans in this way. It is more reasonable to assume that the Soviet Union will see in NATO's rearmament a sign of a definite change in the West's nuclear war planning, and will therefore resolve to engage in the same sort of rethinking of the Warsaw Pact's Military strategy.

The most important result of such changes could be that a Soviet preemptive strike against the deployment fields of the Pershing II and the Cruise Missile in times of extreme tension will become more likely. But even if the Soviet Union does not try to rid itself of this potential danger through a preemptive strike, a failure of deterrence could lead to a war in central Europe that would escalate to a 'nuclear war in Europe' in the very early stages. Due to the special danger which the West's new generation of nuclear weapons poses for the East's war machinery, these forces take on critical meaning in the assessment of both sides. Therefore, it will become necessary from the very beginning of a war to engage these forces, regardless of which side anticipates a nuclear first strike from the other. "

"Whatever the other side does in peacetime," he concludes, "nuclear weapons must never be developed and deployed in the West to conduct war. They should serve only one purpose, to make nuclear war impossible by virtue of the threat of retaliation they pose, and their technical specifications should correspond unmistakably with this purpose. Every other type of nuclear armament brings a "nuclear war in Europe" dangerously near. It is in the interest of Europeans to oppose these weapons if they do not wish Europe to one day become a nuclear battlefield." (Bastian paper delivered July 1981)

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Our time is up. I close with the recognition of the mind-boggling job before you in deciding on the hundreds of military programs and weapons systems for which the President has requested funding. We hope you will have the wisdom of Solomon as you decide what programs to fund and whether this nation will spend $234 million per hour on its military from now through 1986--$234 million per hour is what the President's military spending request over the five years 1981-1986 amounts to averaged out according to the UAW's Solidarity,(July 1982, an article by Dave Elsila "The Race That Can't Be Won" p.7.)

Thank you for your attention to these recommendations.

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The Great Nerve Gas Debate

It has been coming gradually. Beginning in the mid-1970's the army pushed Congress to fund chemical weapons production, despite the judgment of Presidents Nixon, Ford and Carter that such production was not in our security interests. By 1979 the Army's Chemical School at Fort McClellan, Alabama, was reconstructed after being disbanded in 1973. In 1980 Congress appropriated $3.05 million to build a facility to produce lethal nerve gas artillery shells. In 1981 Congress appropriated $20 million to equip that facility for production. Now, February 1982, the President has requested over $100 million for producing new nerve gas artillery shells and for building a second facility to produce nerve gas bombs. Estimates of the cost of this new chemical weapons program run from $10-14 billion.

In addition to producing GB and VX nerve gas agents, the plan is to develop a new nerve gas, IVA, which will combine the "best" qualities of GB and VX.

The first chemical munition to be produced, the 155 mm. howitzer artillery shell, is the most common munition used by the US army. Already the Army is training its troops to fight in an "integrated" or "NBC" battlefield—one in which both sides would be using nuclear, biological and chemical weapons. During 1981 students from Korea, Egypt, Nigeria, Saudi Arabia, Jordan, Australia, Portugal, West Germany and England trained at the Army Chemical School at Fort McClellan, according to David Morrissey of the *Anniston (Alabama) Star*. All of this points to: 1) shifting chemical weapons from the category of a weapon which would never be used to the category of conventional weapons and, 2) internationalizing chemical warfare.

Lethal nerve gas is an anti-civilian weapon. Soldiers wearing protective clothing and masks can survive a chemical attack, civilians cannot.

The new generation of binary chemical weapons President Reagan wants Congress to fund are the same nerve gases as in our current stockpile only with their two "precursor" component gases separated into separate canisters. Separating the components decreases the danger of the lethal gas escaping during production or storage or transport since the components are not lethal until mixed, which doesn't happen until they are fired. The component gases are, however, toxic in and of themselves.

The Army Environmental Impact Statement (Dec. 1981) for the Pine Bluff, AR arsenal where the new nerve gas will be produced (*if* funded by Congress) provides a ghoulish glimpse of the persistent effects of nerve gas on an area. The Arsenal is so badly contaminated from past production of nerve gas which stopped in 1969 that 80 acres must be decontaminated before it will be safe for workers at the arsenal to build and run the new chemical bomb plant. Top soil will have to be removed and replaced and the 36 buildings on this 80 acre area will have to be demolished.

Why the push for nerve gas production *now*? The Administration argues the US needs a weapon in between conventional weapons and nuclear weapons so that in fighting a war with the Soviets the escalation ladder can be stretched out so that the US would not have to turn to nuclear weapons as quickly.

Chemical weapons are cheap and easy to manufacture. "A quart bottle of the agent VX contains several million manlethal doses and costs maybe $5 to manufacture in this country." (1974 testimony by CW expert Julian Perry Robinson, House Foreign Affairs Committee). Thus they are an ideal terrorist or counterinsurgency weapon. Although they have been in existence in nerve gas form since World War II, they have not been adopted by terrorist groups or Third World nations primarily, according to a Carnegie study, because these groups and countries take their weapons direction from the superpowers. Both the US and the USSR pledged themselves to no first use of chemmical agents and separately adopted policies of no new production of lethal agents throughout the 1970's. The abandoning of this US restraint and the lack of clarity about whether the Soviet policy has changed are likely to internationalize chemical weapons and to have a disastrous effect on chemical arms control.

The United States already has stockpiled enough lethal nerve gas weapons to kill the world's population 100 times over by conservative estimate. But the US stockpiles of lethal gas at Tooele Army Depot in Tooele, Utah; Pine Bluff Arsenal in Pine Bluff, AR; Umatilla Army Depot in Hermiston, OR; Anniston Army Depot in Anniston, AL; Newport Army Ammunition Plant in Newport, IN; Rocky Mountain Arsenal in Denver, CO; West Germany and Johnston Island in the Pacific are insufficient to deter the Soviets from using lethal gas against us, according to the Army and the President of the United States.

Those who are appalled by this Reagan program can take heart. In the Senate Republican Senators Cochran (MS) and Durenberger (MN) have joined Gary Hart (D-CO) in sponsoring S2078 which would prohibit spending any funds on binary chemical weapons production. A parallel bill has been introduced in the House, HR 5608 by three Republicans, Fenwick (NJ), Erdahl (MN) and Leach (IA) and three Democrats, Moffett (CT), Gejdenson (CT), and Bonior (MI). Amendments are expected on the Defense Appropriations bills which will prohibit construction of the facility for gas bomb production as well as production of any gas weapons. Votes are expected first in the Senate and then in the House probably late May or early June.

Gretchen Eick, Zelle Andrews, and Jay Lintner before Capitol.

Members of Congress opposing chemical weapons argue that these weapons are designed for a war in Europe and need to be "forward deployed" there ahead of the outbreak of war to be militarily useful. The solid opposition from everyone of our NATO allies makes this impossible and renders these weapons of minimal usefulness. They also stress the damage to our NATO alliance that pushing ahead with these weapons will do, particularly on top of the other weapons systems opposed by NATO which the US is procuring for war in Europe (neutron bombs, theatre nuclear weapons). They point to the folly of adding a very questionable new weapon when the Congress needs to seek places to cut the federal budget. Finally, they support the $500 million in the President's fiscal year 1983 request for improving US defensive and protective equipment and clothing. This approach rather than augmenting our stockpiles of lethal nerve gas weapons is the best deterrence against possible use of chemical weapons against the US.

Whether the US will produce new chemical weapons is largely up to you and whether you let your Members of Congress hear your outrage.

Gretchen Eick

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SAUL HORMATS
7301 PARK HEIGHTS AVE.
BALTIMORE, MD. 21208

Dear Representative:

I write today because you will be voting on the issue of new chemical weapons production this month. For twelve years I was in charge of the Army's chemical weapons program. My 37 years of service at Edgewood Arsenal involved almost all aspects of chemical warfare. During World War II, I participated in Allied studies of the possible usefulness and consequences of a chemical war with the Germans--the conclusion of this study being that chemical weapons are not a "good weapon" from a military utility point of view. After the War, I directed the development of all the nerve gas munitions in our current stockpile and almost all the chemical warfare protective equipment presently used by our forces. I worked closely with the US biological weapons program, with the intelligence community and with our NATO and other allies.

I write to you because I believe the Senate decision (49-45) on May 14 to proceed to new US production of lethal chemical weapons in binary form is a grave misjudgment which will endanger our security as a nation. I hope by sharing my views with you I can help you as you think out how you will vote when the binary weapons production issue comes to the floor of the House in the Department of Defense Authorization bill for 1983.

It is highly unusual for me to contact elected officials on any issue. I take this step because I have intimate knowledge of this issue from my long career as head of the Army's chemical weapons program and because I feel very strongly about it.

Why do I oppose US production of binary munitions?

First, the binary weapons the Administration wants to begin producing in bomb and artillery shell form are of unknown reliability and of questionable military usefulness. I suspect that the Bigeye bombs are extremely unreliable. Since they have not been tested dynamically with live agent, we do not know how they work or whether they work at all. If we begin funding them, we will likely be forced to engage in extensive open-air tests of them, which would be extremely dangerous to our own population.

Binaries are also inferior to our current chemical weapons stocks in that our current unitary shells are not just nerve-gas shells but rather H.E.-Chemical shells; i.e. they function on target as both a high-explosive conventional round and a nerve-gas round. During development a great deal of effort was made to optimize both these functions. On impact the shell body fragments about as well as were it an H.E. round with physical destructive effects approximating those of a conventional shell. Simultaneously the nerve-gas content is blown outward in a circle at high velocity by the explosive force. The shell thus achieves a dual threat on target. To further confuse and hamper possible counter-response, the sound signature of the unitary round is not too different from a conventional round.

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The binary munition being proposed for production is very much different. There are no fragments, the agent content is not ejected with explosive speed and the sound signature would be unique on the battlefield. On impact the agent content is ejected vertically and carried by the wind and in the direction of the wind. What fraction, if any, of the agent cloud descends to the six-foot layer, and what fraction of the target population would be exposed? In all my open-literature readings I have been unable to find any considerations of these critical characteristics, to settle my concern on the usefulness of this new munition.

Second, I believe that going to production of binary weapons will not deter the use of chemical weapons but, in fact, will make their use in warfare more likely by prompting the Soviets to expand their chemical weapons production. Let me enlarge on this point.

Chemical war differs from conventional war in that it is basically directed at soldiers and does not damage weapons or equipment. However, trained and disciplined soldiers properly equipped with protective clothing, if they mask before the attack, will be unharmed by chemical weapons. The Soviet soldier is well trained and well disciplined and prepared to operate in a toxic environment. When a Soviet officer orders his men to put on their gas-masks, there is no question in my mind that every soldier will mask and stay masked until ordered to unmask, regardless of discomfort. Should there be any indication they might be attacked by liquid spray, the troops would also be ordered to don their ponchos or their protective suit, making them totally invulnerable to any nerve gas attack. Reduction in their combat effectiveness would be minimal.

Our current stockpile of chemical weapons contains enough lethal nerve gas in serviceable munitions to force the Soviets to suit up in anticipation of gas weapons being used against them. Since the Soviet soldier can operate in a chemical environment, once suited, adding to that US stockpile would not deter the Soviets from using chemical weapons. What I am saying is that Soviet troops are well enough prepared to fight in a chemical environment that they would not be deterred from using chemicals by threat of "in kind" retaliation.

The US army is provided with a much more wearable mask than the Soviets--indeed, the most comfortable mask of any army--but its protective suit is more cumbersome than the Soviets'. Also, because our troops tend to think more independently than the Soviet soldier, they would be more resistant to donning the mask on command unless they saw the need for it, making them more vulnerable to attack with chemicals than the more disciplined Soviet soldier. Developing new binary weapons will not effect this Soviet advantage. In fact, because our current chemical weapons are also high-explosive weapons and binaries are not, the new binary weapons would be even less effective than our current chemical weapons against the trained Soviet soldier dressed in protective suit. Consequently, I believe a disciplined, well-trained, and properly protected fighting force adequately supplied with conventional weapons is the best deterrent against the use of chemical weapons.

But this leads me to the third serious problem I see in new chemical weapons production. Chemical weapons are an anti-civilian weapon. Properly suited troops can safely continue to fight. But millions of civilians will die. I believe that resuming chemical weapons production will stimulate the Soviets to produce additional chemical weapons and will make their use in a war in Europe much more likely.

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The real victims in a chemical war are civilians. At the May 5 Senate Appropriations hearing, evidence was presented by two experts in the field showing that a chemical war in Europe would likely result in millions of civilians friendly to the US being killed. Children and particularly infants would be the most vulnerable. There are good toxicological reasons for believing that nerve agent sufficient to kill a small percentage of adults would probably kill a large percentage of children and a much larger percentage of the babies. I believe we run the risk of prompting the use of chemical weapons which could well kill most of a generation of Europeans.

For these reasons it is difficult for me to see why the Department of Defense believes it will inhibit Soviet first-use of poison gas munitions by threatening them with retaliation "in kind". I believe there is a better way to prevent the Soviets from starting this heinous thing than by threatening via binary munitions production to join them.

I believe the best course is to go back to President Nixon's position to stop US production of chemical weapons and announce the US will not use chemical weapons first, without explaining how we would retaliate, leaving the Soviets to be uncertain what the consequences would be for them of Soviet first use of chemical weapons. They would know that our response to a chemical attack would be effective and devastating and not the symbolic but militarily ineffective response binary weapons would be.

Sincerely yours,

Saul Hormats

Saul Hormats

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Center For Defense Information

Gene R. La Rocque
Rear Admiral, U.S. Navy, (Ret.)
Director

Eugene J. Carroll, Jr.
Rear Admiral, U.S. Navy (Ret.)
Deputy Director

William T. Pathmann
Major General, U.S. Marine Corps (Ret.)
Associate Director

James A. Donovan
Colonel, U.S. Marine Corps (Ret.)
Associate Director

July 16, 1982

The Honorable Clement Zablocki
2183 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Zablocki:

We understand that you and Representative Ed Bethune (R. Ark.) intend to offer an amendment to the FY 1983 Defense Authorization bill to delete funding for production of lethal binary chemical weapons. The CDI supports your efforts and hopes that the following information will be helpful in that regard.

1. Budget Requests

As you know, the Administration is asking for $705 million in appropriations for Chemical and Biological Warfare in FY 1983. This includes $104 million for new lethal binary nerge gas weapons, $54 million of which is for actual production. While this initial expenditure, in terms of military budgeting, may seem relatively small, the Administration admits that the total cost of the five-year chemical warfare plan will be $6-7 billion. Defense Week estimates the Pentagon's plan for binary munitions will cost $9 billion over the next decade.

Congress had banned the production of new nerve gas weapons unless the President certified that this production was "essential to the national interest." On February 8, 1982 President Reagan sent such certification to Congress, signaling intent to move forward with production.

Pentagon plans call for a new factory which will produce 20,000 155mm artillery nerve gas shells per month in Phase I, and 70,000 per month in Phase II. An additional plant will be constructed to build binary 8-inch shells and 500-pound Big Eye bombs in Phase III (1985-86), and even newer systems will be built in Phase IV. At this rate, the plants could produce three million nerve gas weapons by 1987.

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2. Are these Expenditures Justified by U.S. Military Needs?

Since the United States has asserted "no-first-use" of chemical weapons, the maintenance of CW stockpiles is designed to provide retaliatory capability against Soviet use of CW in an invasion of Europe.

Since all NATO and Soviet/Warsaw Pact troops are equipped with protective clothing and devices, the military function of these weapons is "force degradation". As our field manuals describe it, the idea is to force the other side to wear its hot and cumbersome protective clothing at all times, thus slowing the tempo of their operations and making them less effective. An occasional nerve gas shell lobbed-in with regular artillery is sufficient for this function. Since nerve gas is colorless and odorless, and current nerve gas shells (unlike binary shells) explode like any other shell, troops would never know when it was safe to remove their suits, even if less than 5% of incoming shells were nerve gas.

3. New Binary Weapons Would Not Increase U.S. Defense Capabilities

If, as the Administration declares, our goal in maintaining CW capabilities is to retain the ability to degrade enemy operations, then our present CW stockpiles are more than sufficient. Although the Army declined to provide CDI with direct figures on current stocks, indications from the Joint Chiefs of Staff suggest that we have 19,000 agent tons. Testimony also indicates that we will have, at the conclusion of our current maintenance program, 7,000 agent tons in our usable artillery stocks. This equates to 1.4 million rounds of nerve gas weapons--already five times the quantity needed for a 30-day war.

It is estimated that it would require 200,000 chemical artillery shells to sustain a 30-day conflict. The Pentagon is presently advertising for commercial suppliers in seeking to obtain the necessary agents to construct 1 million new 155mm shells. The projected five-year plan would eventually produce 2-3 million new chemical shells. Clearly, this renewed production is militarily unjustified.

Since the U.S. plans to use its chemical weapons only in retaliation against a Soviet chemical attack, it must be assumed that our chemical rounds will be fired against an invading force that is already clothed and prepared to protect itself against nerve agents. By firing any more chemical rounds than the minimum required to maintain the enemy in his protective posture, the U.S. would not achieve any greater degradation of the invader's force

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effectiveness and would only increase the number of chemically-related civilian casualties. (If we assume that our chemical weapons will be used only against an invading force, then we must realize that these weapons will be fired amidst the civilian populations that we are trying to protect).

In addition, the Administration claims that the "number-one deficiency" in our present stockpile is our inability to degrade enemy operations beyond artillery range (against reserve troops, air fields, and communication facilities). And yet, the new CW plan calls initially for the production of 155mm artillery shells: precisely the weapon that we already have in sufficient supply.

4. New Binary Weapons Would Not Improve the U.S. Arsenal

Given that present stockpiles are sufficient in terms of numbers, it remains only to determine whether they are of adequate condition. There has been no significant deterioration or leaking of our present chemical munitions. All of our nerve gas in artillery ammunition is today classified 'Code A', meaning that it meets all military characteristics and is issuable without limit or restriction.

One recurring argument in favor of binary weapons is that they are safer to handle and deploy. This attribute of binary weapons would be attractive if the weapons were forward deployed in Europe, and frequently moved amidst civilian populations. However, the potential benefits of "safer" weapons would probably never be realized, since our European allies have emphatically refused to accept the forward deployment of new chemical weapons on their territories. The Administration admits that the new weapons will end up being stockpiled here in the United States. The potential gains in increased safety are insufficient to warrant the billions of dollars to be spent, as well as the political risks we must take, in renewing their production.

If our goal is to maintain a retaliatory capability in chemical warfare, then present stockpiles are more than adequate in terms of both numbers and serviceability.

5. Ramifications of Renewed U.S. CW Emphasis and/or Production

Should the U.S. decide to spend billions of dollars on CW production, it appears that we would have no place to deploy these weapons. The most likely scenario for their use would be the protection of Western Europe against a land invasion, yet these same European countries have repeatedly and emphatically declared their unwillingness to accept deployment of new chemical weapons on their territory. These nations, especially West Germany, see their land as a potential battlefield for NATO-Warsaw Pact conflict and are understandably abhorred by the prospect of chemical exchanges amidst concentrated civilian populations.

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Unable to deploy these new binary weapons in forward positions, the U.S. will be forced to store them in the United States, seriously eroding any potential they might have in deterring the use of chemicals by an invading force. Once called for, the logistical problem of transporting these weapons to Europe, and then to various units, would be immense.

Besides refusing the deployment of binary weapons, the backlash at U.S. attempts to introduce them could well fuel the already-active movement to ban existing stockpiles of chemical weapons in Europe (the ruling German Social Democratic Party has passed a resolution asking their government to evict the nerve gas stocks now based in Germany). In this respect, the production of binary weapons could actually reduce U.S. chemical, retaliatory capabilities.

In addition to these strained relations with our European allies, the production of new chemical weapons could cause the forfeiture of significant international political gains the U.S. has made by a) suspending the production of chemical weapons since 1969; b) renouncing production or stockpiling of biological weapons and toxins; and c) pursuing a complete and verifiable ban on all chemical weapons.

Renewed U.S. emphasis on chemical warfare would undoubtedly lead to the resumption of a chemical arms race at a time when we are presented with a unique opportunity to achieve meaningful agreements on the disarmanent of chemical weapons. On June 15, at the United Nations Second Special Session on Disarmament, Soviet Foreign Minister Andrei A. Gromyko announced a new Soviet proposal for banning chemical weapons--one which includes several new and significant provisions. Most importantly, the proposal calls for "systematic international on-site inspections" at facilities designed to destroy or convert for acceptable non-military use existing chemical stocks. Surely this is a time for the Administration to challenge the Soviets to make good on their pledge of on-site inspection, rather than instigating another chemical arms race.

Let us encourage serious international discussion on chemical arms control, rather than move forward with the expensive production of new weapons which are politically self-defeating and militarily unjustified.

Sincerely

Eugene J. Carroll, Jr.
Rear Admiral, USN (Ret.)
Deputy Director

cc: Gretchen Eick
EJC/smb

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EXCERPTS FROM THE JULY 13, 1982 HEARINGS ON CHEMICAL WEAPONS BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE'S INTERNATIONAL SECURITY AND SCIENTIFIC AFFAIRS SUBCOMMITTEE

1. ON THE US STOCKPILE:

"The United States has formidable stockpiles of chemical weapons... we have the capacity to blanket 9000 square miles of the earth's surface with chemical weapons with dosages sufficient to kill the entire living population of the earth, so we are not exactly disarmed in this weaponry." (Rep. James Leach)

2. ON DETERIORATION OF US STOCKPILE:

"The Army has just completed a surveillance program of the current stockpile which shows all lots of artillerty shells, 155 milimeter, (the kind the Administration wants to produce more of in binary form) were condition Code A, perfectly usable for military purposes." (Cong. Zablocki, Chair of the Foreign Affairs Committee)

"Senator Garn of Utah, in whose district these bombs are contained, he said there was not an accident in 35 years (chemical bombs)... He said he would even go into the bunkers or wherever they are stored." (Cong. Zablocki)

3. ON SOVIET CHEMICAL WEAPONS:

"We know quite a bit about their (Soviet) defensive capabilities. We find we have had Soviet equipment available to us, for example, and we know how good, how thorough their work is on defending and protecting themselves against chemical weapons. What we don't know is their offensive capability...and it is not clear that they have been radically upgrading and enhancing and adding to their offensive capability." (James Leonard, former negotiator and former senior official at ACDA)

The Soviets have not gone to binary chemical weapons themselves. (Rear Admiral Jonathan T. Howe, Director, Bureau of Politico-Military Affairs, Department of State, responding to question from Cong. Zablocki)

4. ON EUROPEAN OPPOSITION TO US PRODUCTION OF NEW CHEMICAL WEAPONS AND POSSIBLE FORWARD DEPLOYMENT IN EUROPE:

Both former negotiators referred to recent numerous conversations they have had with leading Europeans and to the clear opposition they heard. "There is just no doubt that the binaries cannot be deployed there; and to have them built, stockpiled and simply located in this country does not add significantly to the deterrent we already have." (James Leonard, former negotiator)

5. ON ALTERNATIVES TO BINARY PRODUCTION:

"There may be cheaper ways (to improve our stockpile)...I have only looked at the binary possibility. I haven't explored every other alternative that might be there." (Rear Admiral Jonathan T. Howe, Director, Bureau of Politico-Military Affairs, Department of State)

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6. ON THE SOVIET PROPOSAL SUBMITTED TO THE U.N. JUNE 15, 1982 FOR A CHEMICAL WEAPON CONVENTION:

June 15 the Soviets submitted a proposal for a ban on chemical weapons to the U.N. which contained "new language in the field of verification; particularly it refers to the possibility of carrying out international on-site inspection, the destruction of stockpiles..." (Robert Mikulak, chemical weapons expert, Arms Control and Disarmament Agency) *"They talked about an international group visiting from time to time" to verify by on-site inspection.* (Rear Admiral Jonathan Howe [USN], Director Politico-Military Affairs Bureau, Department of State)

"It is the Chair's view that the very fact that the Soviets took the initiative...and addressed the substantive issue of verification offers the Reagan Administration a unique opportunity to resume bilateral negotiations with the Soviet Union (and)...negotiate a verifiable ban on chemical weapons, to stop this new, costly and dangerous arms race." (Chair, Clement Zablocki, Foreign Affairs Committee)

"Why don't we just get the Western world...to say to the Russians we accept your offer of verification...why don't we just sort of put words in their mouth and help them fill in between the lines and say we accept their offer...let them sort of defensively answer that?" (Rep. Larry Winn, Republican member of Foreign Affairs Committee)

7. ON THE PROGRESS OF NEGOTIATIONS FOR A TREATY BANNING CHEMICAL WEAPONS AND PROVIDING FOR DESTRUCTION OF STOCKPILES AND PRODUCTION AND EQUIPMENT:

Bilateral negotiations between the US and USSR which began in 1976 continued after the invasion of Afghanistan leading up to agreement by the Soviets to the principle of on-site inspection by the July 1980 report on those negotiations. (Rear Admiral Jonathan T. Howe, [USN], Director of the Bureau of Politico-Military Affairs, Department of State in response to a question from Chairman Zablocki)

Although there was an understanding that those negotiations would be resumed in early 1981, the Reagan Administration decided not to resume them. (Hon. Charles C. Flowerree, former chief negotiator through 1980 in the Bilateral Negotiations on a Chemical Weapons Convention)

Multilateral negotiations have continued through the U.N.'s 40-nation Committee on Disarmament. Both bilateral and multilateral talks are necessary for a treaty to be achieved since agreement between the US and USSR is necessarily at the heart of any multilateral agreement. (Both former negotiators who testified: Charles Flowerree and James Leonard)

8. ON THE WISDOM OF GOING TO BINARY PRODUCTION NOW:

Binaries..."have given the Soviet Union another stick with which to beat us...my preferred solution to the problem would have been a greater emphasis on defensive measures." (Charles Flowerree, chief negotiator through 1980 for the US at the Bilateral Chemical Weapons Negotiations)

The Soviets are taking the heat from the Third World, under considerable pressure to move toward a verifyable treaty in the wake of evidence on the use of chemical weapons in Southeast Asia. (Robert Mikulak, chemical weapons expert, ACDA and James Leonard, former senior official ACDA and former negotiator)

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Mr. HEFNER. Do you have any questions?
Mr. YOUNG. No questions, Mr. Chairman.
Mr. HEFNER. Thank you very much for a very good statement.

WEDNESDAY, AUGUST 11, 1982.

DEFENSE BUDGET CUTS

WITNESSES

PATRICK W. GRACE CONOVER, FIRST UNITED CHURCH OF CHRIST, CHARLOTTE, N.C.

REV. PHILLIP GRIGSBY

REV. LLOYD PENDERGRAFT

Mr. HEFNER. Our next panel is from the State of North Carolina: Dr. Patrick W. Conover, Reverend Phillip Grigsby, and Reverend Lloyd Pendergraft.

STATEMENT OF MR. CONOVER

Mr. CONOVER. Thank you very much. My two colleagues will make a brief presentation.

The churches we represent would be broadly classified as traditional or conservative churches. What makes me so pleased about our testimony is that it has drawn glowing words from both conservatives and liberals, from hawks and from doves in this matter.

As you shall hear, it is not a watered down statement or a nonspecific proposal for peace, for while none of us are military experts, we have worked hard to understand the issues involved. We feel that the broad issues we are speaking to do not require technical expertise. Instead, everything we are saying is based on broadly known and uncontested fact.

We believe that this budget can be cut $70 billion or more while improving national security. I will be speaking to that.

As ministers, we are here to say that the military budget is not a sacred object. There are certainly those who treat it with idolatrous respect. As an idol, they know it cannot stand close scrutiny or careful analysis. We feel this committee should give the same kind of critical analysis to the military part of the budget as it has given to the food stamp budget.

U.S./U.S.S.R. MILITARY STRENGTH

The Pentagon is lobbying hard on the basis of misleading and self-serving interpretations of their own facts. We are militarily—I am quite confident—the strongest nation in the world. Russia is a major power and can certainly destroy the United States, but they are not even close to us in overall strength. Nobody argues about our clear advantages in bombers, cruise missiles, strategic submarines, aircraft carrier task forces, our ability to project military strength across the oceans; but let us consider for a moment an area where the Pentagon has tried to claim that Russia is ahead.

The Pentagon says there are more Russian ICBM's and that they have greater throw weight and bigger bombs. This is true. After all, it is the specific result of Pentagon planning. They planned for and have achieved the advantage they sought: a more reliable capacity to put more devastation on the Soviets than they can put on us.

Our smaller and fewer rockets can put more warheads closer to target than the Russians can. Since we have great advantages in both readiness and reliability due to the fact that most of our ICBM's are solid fuel, while most of the Russian ICBM's are still based on liquid fuel, we could probably even get off more rockets and more throw weight than the Russians could in a time of war.

An exact parallel is found to the above with relation to the so-called tank gap in Europe. The Warsaw Pact has a lot more tanks than do the NATO forces. For sure. Again this is by design. Our military planners, recognizing the limitations of tank warfare, have focused on antitank developments. We have had great success and the threat of a blitzkrieg from east to west is minuscule.

The third area of comparison where the Pentagon says the Russians are ahead of us is in submarines. Sure enough, they do have more submarines, but most of their submarines are much more limited than ours in range and capacity. Furthermore, they can only keep 15 percent of their submarines in the ocean while we keep over 50 percent.

We have great strategic advantages in terms of ports and supply. Most importantly, we have a strong antisubmarine warfare capacity in the deep oceans and the Russians have essentially none.

In short, we are way ahead in submarine warfare. The Congress has made us pay for our military superiority, according to Pentagon plans and requests. The least you could do is remember what you have bought and what it means.

WASTE IN DEFENSE SPENDING

Everyone admits that there is a huge amount of waste in the Pentagon. Even sources like David Stockman and the Republican Study Committee point to huge levels of waste. There are a variety of good bills beginning with Pat Schroeder's bill which addresses such problems. Why can you not face up to Pentagon wastes? Why do you meekly tolerate huge cost overruns? Why do you allow the kind of grade inflation which leaves our military forces so top heavy with generals and admirals dreaming up more ways to spend our money?

It is a shoddy spectacle to see big complaints about nibbling by welfare lines when you turn your back on the gorging military lines.

Why do you buy weapons systems which don't work like the DIVAD gun, the Patriot missile? By the Pentagon's own reports, there are many weapons systems which fail their tests and are still rushed into production. This is terrible. It not only wastes many billions of dollars, it weakens our defense and threatens the lives of our fighters.

FIRST STRIKE OFFENSIVE COUNTERFORCE WEAPONS

Congress has always said that it supports a strategy based on the concepts of defense, deterrence, and protection. In fact, it has helped the Pentagon in their efforts to develop a first strike offensive capacity and hidden it behind a wall of words.

We call on you in the name of the future of the human race to stop building all first strike offensive counterforce weapons, including the MX missile, Trident II missile, the NAVSTAR global positioning system, and the Pershing II. Don't do anything to further destabilize an already incredibly dangerous world.

The most pressing national interest, the most pressing national self-interest of the United States is world peace.

To deploy the Pershing II in Europe forces the Russians towards a launch-on-warning system which makes the safety of the world dependent on the reliability of Russian computer technology. If you don't think that this is scary, let me point out the United States has experienced three computer errors which started us toward war, and each of these three errors which I refer to, they lasted longer than the minutes available in a launch-on-warning system.

Folks, this is like the Cuban missile crisis, exactly a parallel to the Cuban missile crisis, putting our weapons like that in West Germany is like the Russians when they put those missiles in Cuba.

Just suppose that the Russians should answer our placing of those Pershing II's in Europe by placing their SS 20's in Cuba? It would be a reasonable answer to our escalation. Make the Pentagon restrict its presentations and its preparations to defensive strategy, and for goodness sakes, don't make any additions to our military capacity where we are incredibly way ahead. For example, we have eleven or more big carrier task forces while the Russians are still trying to build their first.

Do force the Pentagon to bring more of their forces up to strength before there is additional expansion. There is no justification, for example, for increasing the number of our interceptor squadrons, especially at a time when there is such a low level of readiness with the ones we have.

In the body of our testimony and the appendix that we have proposed cuts of $60 to $70 billion. These cuts can be made without reducing our defensive strength at all. In fact, many cuts will improve our military and especially our national security.

NUCLEAR FREEZE

It is a time for our country to take unilateral initiatives towards peace. We are acting in great strength. We can do things now to ease tensions. Cutting the budget as we have suggested would show the Russians that we are not trying to bury them with a first strike capacity or otherwise trying to destabilize the military balance.

A nuclear freeze is to our advantage when we are way ahead. Destroying obsolete chemical weapons and outmoded Titan ICBM's would also be a good will peace signal. The bill to negotiate posture of our President is the worst of both worlds. Our negotiation is seen as a mere cover for the arms race.

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If we were to negotiate significant arms reductions, what we would be spending now would be wasting stupendous amounts of money. Freezing and cutting back sends real peace messages, enhances our negotiating posture, improves our security, and saves a heck of a lot of money. Make no mistake. We had no budget cuts last year. Instead, the massive budget transfers from civilian to military spending are undercutting our economy, devastating the poor, and hurting our national security.

We can have a strong defense and still bring this budget into line.

During the Vietnam War, the generals developed the obscene strategy of destroying villages to save them. Now they are applying this same twisted logic to the American populace. Quit piddling around with minor cuts. Stand up to the military complex and do your job.

Thank you for hearing my testimony

Mr. HEFNER. Thank you, Dr. Conover.

STATEMENT OF REVEREND GRIGSBY

Reverend GRIGSBY. Thank you for the opportunity to testify. I would only underscore the broadbased nature of our concern.

I heard your question before about what are the church's roles on this. I would only share with you the concern for peace is broadbased within the congregation I serve and within the community. It is a topic of concern we hear every day. It includes liberals and conservatives, rural, urban, young, old, Democrats, Republicans. It cuts across all bases.

We feel this is a broadly based concern. We encourage on that basis for the Congress to represent us, truly, to represent that which we feel perhaps over against other proposals that would lead us to massive levels of spending and massive levels of risks.

It is a broadbased concern. We feel the church has a strong responsibility to educate people upon that. That really is one of our major concerns in being here, to share a word with you, to share our concern from our faith and the specifics we have but also to share a word with those we see every day and to share the word for unilateral initiatives for peace.

Thank you for the opportunity to be with you.

STATEMENT OF REVEREND PENDERGRAFT

Reverend PENDERGRAFT. Mr. Chairman, we thank you again for the time you are giving to us and other groups to come and present ourselves. I have just two things to say. Speaking strictly from my parish's perspective, I do not feel that our textile employees at the incomes they have can really afford the programs that the Administration is putting forward for defense in the next three or four fiscal years.

Speaking as a father of six and stepfather of three and grandfather of three grandsons, I have lived 37 years under a cloud of threat. I have seen my peers, some break up almost under the stress of potential nuclear war. I don't know how much it is a problem affecting our society as a whole, and I don't know how far it permeates, but I think probably more than I would like to think.

I would like to see a future for my family. I think one way we can do it is to move away from proliferation and future proliferation of both nuclear, biological, and chemical warfare, especially in a first strike capacity.

Thank you again for the time.

[The statement follows:]

Testimony Given to the Subcommittee on Defense of the House Appropriations Committee

Joseph P. Addabbo, Chair
August 11, 1982

Rowan Ministerium of the
Western North Carolina Association of the
Southern Conference of the
United Church of Christ

Dr. Patrick W. Grace Conover
Rev. Phillip Grigsby
Rev. Lloyd Pendergraft

INTRODUCTION

"The Earth is the Lord's and the fullness thereof;
the world and they that dwell therein."

"Put away your sword!" Jesus told Peter.

"They shall beat their swords into plowshares."

These ancient words of testimony and wisdom call us as ministers and part of the people of God in the United Church of Christ to speak as clearly and simply as we can to members of this committee and the United States Congress. We encourage your favorable deliberation and action upon a program of significant reduction in spending for the military, not only in this program year but in succeeding years.

We speak to you as residents of the central part of North Carolina, and ministers belonging to the Rowan District Ministerium of the United Church of Christ. We speak on the Ministerium's behalf and in the spirit of pronouncements passed by our regional body, the Western North Carolina Association, and our national body, the General Synod.

Our central concern is to tell you that people we see every day, members of our congregations and our neighbors, share a deeply felt urgency for peace and a reduced nuclear threat. Everyone is for peace, of course, if the question is broadly put. We want to share with you that people we see everyday have a growing pessimism about the spiralling arms race, a fear of nuclear holocaust, and deep suspicion that the new round of military spending will do anything but increase deficits and deny opportunities while dramatically increasing the chances of nuclear war.

In addition to fears that we hear, we sense a vision of peace growing. We feel persons pulled along by a new vision of the future which calls us away from dependence on arms for national security. We already have the strongest military force in the world, and more persons are realizing that the arms race does not produce security. The Center for Defense Information, headed by Rear Admiral (ret.) Gene Larocque and Marine General (ret.) William Fairbourn, said it well:

"We believe that strong social, economic, and political structures contribute equally to national security and are essential to the strength and welfare of our country."

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Our perspective in this testimony is not the perspective of military experts. After lengthy study from a variety of sources, we believe we are conversant with the major issues and perspectives facing the committee. Our concern is beyond the technicalities and details of the issues, as fascinating as they are. Our primary concern is to look overall at the issues in the light of our religious perspective. From that perspective, and from our study, we come to several inescapable conclusions:

(1) After spending trillions of dollars, we are now more insecure than ever.

(2) The proposed, dramatic increases in military spending reflect a "cafeteria" style military strategy, wholly lacking in direction.

(3) The capacity of the military establishment to absorb these enormous sums can only lead to higher levels of waste, fraud, and abuse despite the best efforts of Department of Defense auditors. In David Stockman's own words, the Pentagon budget contains "a kind of swamp of $10 to $20 to $30 billion worth of waste that can be ferreted out if you really push hard." Studies from the Republican Study Group and the National Conservative Foundation, and others show waste, fraud, and abuse levels as high as $16-25 billion.[1]

(4) No one wins in a nuclear exchange; the loser is the human race.

(5) There is no more justification now than there ever was for building a first strike capability.

(6) We believe that this moment in history cries out for unilateral initiatives in the quest for peace. Significant reductions in the levels and types of nuclear weapons would be an appropriate step. Such initiatives can conform to a support for continued negotiations.

(7) The new generation of chemical weapons and the neutron bomb are obscene and have no place in our arsenal.

Our Christian faith calls us to bear witness to the path of peace by taking the risks for peace through unilateral initiatives. No ethical system can support nuclear war. We feel our own Christian view is echnoed by voices throughout this country and across the world. Our experience tells us that the majority wants an adequate defense, with a minimum of waste. We call on the Congress, asking that you, as representatives of the people, vote to represent the people, truly represent us, and vote for significant reductions in the appropriations before you.

STRATEGIC CONSIDERATIONS

This Department of Defense Budget is being sold to the United States on the premise that we need large expenditures to counter a Russian threat. President Reagan's phrase is "window of vulnerability." This section of our testimony will show that such a sales pitch is grossly misleading to the point of dishonesty.

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1. The largest part of this budget is NOT DEVOTED TO STRATEGIC DEFENSE. By one Department of Defense estimate, only 17.4 billion dollars out of a total of 222.2 billion dollars in our 1982 budget (TOA) is devoted to strategic forces.[2] That is less than ten percent of the total military budget. Even if a share of other expenditures is counted in as part of the strategic picture, it is clear that the great majority of our budget is not devoted to protecting us from the Russians.

2. Of the money which is devoted to strategic forces a great deal is NOT DEVOTED TO DEFENSE. Expensive improvements in targeting accuracy, such as the Mark 12A reentry vehicle and the MX missle system, have no strategic purpose other than attacking Russian missles in their silos. We do not need a nuclear warfighting capability in addition to a defense ability, as our Deputy Defense Secretary, Frank Carlucci, has said (January 13, 1981). We do not need a United States capacity to prevail if deterrence should fail, as our Defense Secretary, Caspar Weinberger, has argued (November 3, 1981). The cornerstone of the strategy of any military budget must be defensive rather than offensive planning and preparation. We accuse Russia of preparing for a first strike capability as if that were a great sin when we are rushing to do the same thing. If we are to improve our strategic forces at all let us upgrade our second strike capacity, such as in air launched cruise missles or the improvements of command and control of our strategic submarines.

NUCLEAR WAR IS UNACCEPTABLE! There is no difference between winning and losing if we kill each other off by shooting thousands of nuclear weapons at each other. Since our military leaders are talking so irresponsibly they just might act irresponsibly. President Reagan is speaking of a "full court press" against the Russians. It is very sad to say it, but we need to take away the lures to provocation and beligerance from our own military leaders.

3. LET OUR ALLIES PAY THEIR SHARE! A great proportion of our military budget is devoted to a capacity to fight a conventional war in Europe. For example, it is a primary justification for the development of the Main Battle Tank. We are keeping a lot of troops and supplies in Europe for this purpose. The neutron bomb is being developed on the incredible premise that since it only kills people it would be a desirable weapon to use in Europe. We are not suggesting that NATO be abandoned. The Germans, in particular, are using the benefit of low military expenditures to enhance their economic sector and undercut American enterprise. If Europe wants a defense against the Warsaw Pact let European citizens pay as much for it as do American citizens.

An all out war in Europe is unlikely because of the inherent threat of escalation to full scale nuclear war, not because of either conventional forces or because of the development of theatre sized nuclear weapons. Since Europe is more vulnerable than either the U.S.A. or the Union of Soviet Socialist Republics, they are understandably more afraid of nuclear holocaust than we are. We should let the Europeans set a level of defense which they are willing to sustain under the larger United States nuclear umbrella. There are opportunities for massive savings here.

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4. OVERKILL IS A PROVOCATION AND A WASTE! It is hard to argue against the genuinely defensive parts of the budget, such as improvements in command control, communications, warning systems, and computer upgrading. However, we are opposed to NAVSTAR which is only justified as part of a First Strike capability. What we don't need is more nuclear weapons or strategic delivery systems. We have 30,000 nuclear weapons and don't need 17,000 more. When one Poseidon submarine (we have thirty-one Poseidons plus more powerful Tridents) carries enough nuclear punch to hit every city in the Soviet Union, we have long ago passed the point where more strategic weapons increase our security. When we have the capacity to destroy the Soviet Union many times over a NUCLEAR FREEZE CARRIES NO THREAT TO THE UNITED STATES. It is the beginning of a return to reality. Without any calls for unilateral disarmament, there is a great opportunity for unilateral initiatives. We could begin by destroying some of our more obsolete weapons and asking for Russian reciprocation.

5. WE HAVE VASTLY MORE CAPACITY TO PROJECT OUR STRENGTH AROUND THE WORLD THAN ALL OF THE REST OF THE WORLD COMBINED. The Russians have two small aircraft carriers, which cannot handle jets, and two helicopter carriers. We are the only nation to float a modern, full scale, aircraft carrier combat group. Indeed, we have eleven of them. Why in the world do we need two more? They are incredibly expensive. With all of their support ships and planes and personnel, their cost approaches the total size of this year's projected budget deficit. It is also important to note that such carrier groups add little to our strategic strength against Russia. There is no way that any rhetoric about a "window of vulnerability" can justify such grossly distorting and unnecessary expenditures.

6. It's time to quit kidding around WITH THE RENEWED TALK ABOUT CIVIL DEFENSE AND ABMs. They are not merely budget busing but harmless expenditures. ABMs would violate a treaty we signed and severely hurt any chances we have for future nuclear restraint treaties. Civil Defense against nuclear attack is pointless against a threat of thousands of nuclear weapons. The danger lies in any encouragement to our military leaders to regard nuclear war as acceptable. Any evacuation of our cities in a time of crisis, as planned government effort, could be just the spark which sets off nuclear devastation.

7. IMPROVE PREPAREDNESS. A great deal has been said about the limits of the forces we now have in terms of levels of training, supplies, support capacities, etc. This is truly scary: to think that with all our tremendous expenditures and fancy weapons we might not be able to actually do much fighting. If this is really true, rather than being another scare tactic to pry funds out of American taxpayers then we should PUT A STOP TO ALL EXPANSION UNTIL WE UPGRADE THE FORCES WE HAVE TO THE POINT OF FULL MILITARY VALUE.

One area of defense spending does warrant increased allocation. We find our military program in the worst straits of our history as far as personnel is concerned. Pride, preparedness, fitness, all seem to be things of the past. One way to overcome this is to increase military pay, especially in the middle grades for both commissioned and non-commissioned officers. This will provide some incentive for re-enlistment and for careers in the military.

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One correction that needs to be made in the military is to place some reasonable restriction on those who retire early. Those who retire between the ages of 37 and 45 may still have their most productive years ahead of them, yet it is not unusual to see these people on the government payroll as civil servants while drawing a retirement check from the military. Let us have no retirement pay from the military prior to age 55 except in the event of service-connected disabilities. Then let that pay be decreases by up to 50 percent if the retiree is regularly employed follosing separation from the military. This could be based upon his/her earned income on a sliding scale.

8. As part of a defense oriented strategy it is important to AVOID DESTABILIZING DEVELOPMENTS. Two such developments would be the deployment of IRBMs in Europe and the placement of strategic weapons in satellites. In both cases we would be developing first strike capabilities because we could put nuclear weapons onto Russian silos before Russia could respond. The thirty minute time lag in ICBM warfare is the most crucial source of stability which has kept us out of nuclear war over the last three decades. It is still a cornerstone factor in our defense planning. Think how the threat would increase for the United States if Russia were to put missles in Cuba and were to develop the capacity to shoot straight down from satellites. The history of the arms race shows that any advantages we have developed were only momentary. Sanity requires that we avoid destabilization of our armed truce.

9. MILITARY INVOVEMENT SHOULD NOT BE OUR AUTOMATIC FIRST RESPONSE TO FOREIGN CRISES. The final point of strategy to be made here is gathered from our recent history of the use of military force against non-Soviet enemies. Vietnam was disaster. Iran is an ongoing catastrophe. We are now suffering a great blow to our position in Latin America because we helped to arm Argentina, an anti-democratic and anti-human rights military dictatorship, in the anme of "realistic" foreign policy. In 1978 we supported French and Belgium paratroops against a Shaba independence force which we recently supported and armed. Our attempt to involve ourselves in the war between Russian supplied North Yemen and Communist South Yemen turned into a four hundren million dollar embarrassment. On the other hand, we scuttled the attempt of the CIA to involve us in Angola with no great loss. We managed to avoid military involvement in Zimbabwe and chose a non-military solution to Panama with good results. The point we are trying to make here is perhaps most graphically illustrated by the picture of American supplied helicopters in El Salvador being used to gun down fleeing women and children.

Our military strength has been of little effect on the Russian invasion of Afganistan or suppression of Poland. In short, despite the world's greatest capacity to project our forces overseas, our military power has not translated into effective power to influence the course of nations in the directions we want them to go. Many issues, such as Islamic fundamentalism, tribal jealousies in Africa, the desperation of great poverty in the less-developed countries, are simply not amenable to military impact or influence. Real strategic improvements can only come from getting out of the habit of quickly reaching for our guns whenever something happens which we don't like. We need to focus on developing our economic and political strength. We need to make the American

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society attractive again by improving the lot of our own citizens. All of this requires a substantial reduction in our military budget. Such reductions make us stronger! This testimony calls for a strong America, not a weak America hiding in a military fortress.

THE SUMMARY of our testimony is that we wish to IMPROVE OUR STRATEGIC POSITION BY DRAMATICALLY CUTTING MILITARY SPENDING. (Specific cuts are indicated in Appendix I.) The key themes are:

1. No more wasteful expenditures for overkill;
2. Plan and develop only defensive (second strike) strategic capacities;
3. Make our allies pay their share and let them accept the results of their level of commitment;
4. Restrain our own leaders from provocation or belligerence and keep them from having any fantasies about "winning" a nuclear war;
5. Avoid destabilizing developments and emphasize unilateral initiatives in pursuit of the reduction of tensions and war threats; and
6. Recognize that the capacity of the United States to influence world affairs does NOT reside in our military strength and that distortions of our budget for unnecessary or harmful military purposes actually reduces our strength to affect the course of nations.

OBSCENE WEAPONS

We applaud the decision of the House of Representatives to oppose the production of binary chemical weapons. We believe strongly that there should be no place in our nations arsenal for two weapons: chemical or biological weapons and the neutron bomb. All such weapons are an unneeded horror.

Chemical weapons, conjure up images of mustard gas, used during World War I to produce crippling lung damage to thousands. The only argument in favor of deploying such weapons is that we must keep up with the Soviets. However, even this argument fails when one recognizes that we already have large stores of chemical weapons (too large in our estimation). Production of a new binary system would only strain NATO relations further. We do support use of funds for continued defensive purposes: protective clothing for troops and civilians and the like. Our nation has a moral responsibility to oppose the use of chemical (or biological) weapons.

The Neutron Bomb is an equally immoral weapon. How absurd to listen to the argument that because it kills only people without destroying buildings that it is a good thing. With the high probability of use of this weapon on the territory of our NATO allies, we gain little security by the use of this weapon. Rather, the rapid push for this weapon only weakens our position of moral leadership in the world.

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WASTE, FRAUD AND ABUSE

While paying lip service to reducing waste, fraud and abuse we believe Congress should exercise the same sort of oversight over the defense budget as is exercised over the Food Stamp program.

We are concerned about the dramatic increases in the budget which will strain the ability of the military establishment to absorb such funds. Clearly, the level of increases are beyond the capacity of any establishment, much less the military, to absorb without extraordinary levels of waste, fraud, and abuse. Several types of waste "lept out" at us in the preparation of this testimony.

Waste Through Too Sophisticated Weapons. The Division Air Defense Gun (DIVAD) is the world's most expensive gun yet it has failed to hit all maneuvering targets in tests and most stationary ones as well. The radar is vulnerable and the system has experienced dramatic cost overruns. You could save 713 million dollars out of the 1983 budget here alone.

The AMRAAM and Sparrow air-to-air missiles are another case in point. Both are elaborate, expensive, and unreliable. What makes this waste so disgusting is that we already have the Sidewinder air-to-air missiles which can outperform them and are available at a fraction of the unit cost. The AMRAAM case was highlighted in the July 24 National Journal. "Given the high cost of the AMRAAM - the services initially projected $3.5 billion, but some experts predict more than $10 billion - Murray said he would withdraw his support for the program unless the Air Force agreed to real-life tests at Nellis. Now, Murray predicts that AMRAAM will turn out to be an expensive bird with limited utility."[3]

Interservice Rivalries. Our history is replete with examples of weapons systems too costly because each branch wants its own, and fears the other. In recounting the history of the F-16, Fallows quotes a memo from a final briefing in 1970: "Unless the US Air Force thoroughly studies high performance austere fighters and is prepared to consider them as necessary complement to other air superiority aircraft, the US Air Force may be: A. Outgamed by the Navy (again) and/or B. outfought by the Russians. 'That got their attention' he (Riccini) said later. 'The Air Force doesn't respond to what the Russians do. It reacts to what the Navy does.'" [4] As a result of such messing around we have started to buy the F/A-18 Hornet which is highly complex, expensive and unreliable, and the F-14 Tomcat and F-15 Eagle Fighters which are so sophisticated that only half of the Navy and Air Force pilots can fly them. Fortunately, the Tomcats and Eagles are so difficult to maintain that only half of them are air-worthy at any given time. The Tomcat's missile system (Pheonix) has been rated by the GAO "Marginal at best."[5] The Eagles (Maverick) missile system, like the Pheonix, has never been proven under anything resembling combat conditions and has repeatedly failed operational tests. To buy such weapons in not only a great waste but also endangers our fliers and weakens our security.

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Obsolete Weapons. The refitting of battleships and expenditures for the B-1 fit this category. As Fallows concluded, "The proper remedy for the B-52's defects is not to build another large, unmaneuverable new airplane, like the B-1. The B-1 was in essence a mobile missile site, from which short or medium range guided missiles would be launched toward their targets. This approach would have combined the high cost of maintaining a bomber fleet with the high technical risk of complex missile systems - the worst of both worlds. A more sensible approach would be to go back to the real purpose of a bomber - penetrating undetected - and then design a plane to those specifications and no others. The aircraft that are often best at avoiding radar detection are small, very maneuverable airplanes that do not offer a sizeable target for radar, that fly close to the ground, though not necessarily very fast, travel up riverbeds and canyons, etc., to thwart radar detection."[6] We support extending the life of B-52's to serve as missile platforms, which is already being done.

The Abrams M-1 Tank is another example of a weapon built for World War II and goldplated into absurdity. It can go very fast, except in swamps, where it is too heavy, or in deserts, where its turbine engines clog. You can tell it goes fast because it gets 3.8 gallons to the mile. It doesn't go very fast very often though because it takes 1.7 hours of maintenance for every hour of operation. Then there are the host of little problems, like explosive hydraulic feul. Go back to the more reliable M-60 and send this dinosaur to the museum.

Lack of Effective Enforcement by the Marketplace. Admiral H. G. Rickover, no novice to the military establishment, prior to his retirement warned that "The notion that we have a self-regulating, free-market economy that will itself prompt a high standard of ethical business conduct is not realistic in today's complex society." He issued a severe warning to defense contractors as his "parting shot": "Under pressure to meet assigned corporate profit objectives, subordinates sometimes overstep the bounds of propriety - even the law. The corporate officials who generate these pressures, however, are hidden behind the remote corporate screen, and are rarely, if ever, held accountable for the results. In recent years, several major Navy shipbuilders, when faced with large projected cost overruns, resorted to making large claims against the Navy. There large claims were greatly inflated and based on how much extra the contractor wanted rather than how much he was actually owed... In evaluating these claims I found numerous instances of apparent fraud... The Justice Department, however, seems incapable of dealing with sophisticated procurement fraud - or perhaps undesirous of doing so... I believe the grossly inflated claims to which the Navy was subjected during the past decade are an outgrowth of the philosophy in some companies 'anything goes' in meeting the profit objectives set by senior corporate officials."[7]

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Because a handful of congressional representatives have defense plants in their districts, unnecessary and unwanted tools of defense are being built or developed. When will Congress and the President hear the real voice of the American people? The threats from within and without are so ominous that we can no longer just look the other way.

DEFENSE SPENDING AND UNITED STATES PROBLEMS

> "...the whole army and navy are unproductive labourers. They are the servants of the public, and are maintained by a part of the annual produce of the industry of other people. Their service, how honorable, how useful, or how necessary soever, produces nothing for which an equal quantity of services can afterwards be procured."
> (Adam Smith, The Wealth of Nations)

This quote from Adam Smith makes a point which has recently been reconfirmed by a new group of economic studies.[8] Military spending is a drag on economic growth. The primary reason is that military spending cuts down on capital formation in civilian sectors of the economy. Comparisons of free world industrial powers show a strong and statistically significant relationship on these factors. A particularly strong comparison is with Japan which had the smallest defense spending and the highest civilian capital formation and growth. (These studies did not find statistically significant relations between either civilian government spending or wage levels and economic growth.)

One example of how this works is the plight of aluminum forgings. Since the start of this latest arms buildup the time that it takes to fill an order for aluminum forgings has jumped from 20 to 120 weeks. This is not only one of the sources of the huge military procurement cost overruns, it is a tremendous burden to the civilian economy as well.

Many of our biggest industries have substantial defense contracts. Because of the guaranteed profits from their defense work they do not need to be as cost conscious or competitive in their civilian work. Top scientists and engineers are drained off from economically productive work. The United States doesn't even seem to be able to take advantage of technological breakthroughs brought about by our own military research. For example, all the video cassette recorders sold to the home market in the United States are produced beyond our shores.

Increased defense spending does little to alleviate the high rate of unemployment in our country. Most defense industry jobs are highly skilled positions. Indeed there is a <u>shortage</u> in many of these skill areas. There is no relief for the vast majority of the unemployed with lower skill levels. Even those jobs created by the defense industry should be considered temporary or we are defeating ourselves.

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Defense spending is money spent mainly on non-productive goods that do not accrue benefits to the general populace as do regular consumer goods. The chain of beneficial results just isn't there.

Both our nation and the world are plagued with monetary problems which are linked to deficit spending in the United States and abroad. The primary reason for this deficit is exorbitant defense spending. The deficit has been the primary factor in long term inflation and high interest rates. Suffering most in this problem is the consumer, the American tax payer. Think what your family (average family of four) could do with the $20,000 which would be paid out in taxes for the Reagan military buildup. Government, and more particularly the members of Congress, have a moral obligation to strive for a balanced budget and take an economically sound and responsible position, as our State government is required to do by law. As President Reagan has said, "If this country were a private business, it should be declared bankrupt, since its assets do not cover its obligations, but fortunately it isn't." What a travesty it was to see President Reagan speaking in favor of a constitutional ammendment to require a balanced budget in the very same week that he broke a deal with Congress so that he could seek even more budget busting military expenditures.

We have not had any budget cuts in the last year. We have only had damaging budget transfers from the civilian sector of government to the military. While it is necessary to reform public assistance programs, the levels of cuts being introduced are irresponsible. We must be very careful not to throw out the baby with the bath water. How are the young going to feel when they get around to realizing that they are not going to have the same opportunities to go to college or buy a home or finance a farm which their parents had. The Congressional Budget Office projected costs in 1986 for National Defense, Benefit Payments to Individuals under current law, and Interest on the National Debt, and found that they would take up 99 percent of the $748 billion in federal revenues expected in that year.[9]

Foreign Aid looms large in the midst of the problem of increased military spending. Increases in the percentage of such aid devoted to military purposes lowers the amounts available for agricultural and economic aid. This does little to strengthen developing nations, feed the hungry, or help the sick. Indeed, more often than not, military aid is used to prop up totalitarian regimes against their own population in direct opposition to the American dreams of democracy and free enterprise.

The generals who once ordered Vietnamese villages destroyed in order to "save" them are now applying their same twisted logic to the American populace. It is time to turn these absurdities around.

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APPENDIX I.

Introduction

The figures below represent the kinds of cuts which could be made in the Fiscal Year 1983 budget. The total of 60 to 70 billion dollars could be cut without damaging the military security of our country. Following these cuts through would create even larger savings in subsequent years. We believe that many of these cuts would improve our military security and all of them would improve our national security. In some cases the proposed cuts would not eliminate the weapons systems but would only delay their procurement until their was sufficient time for development to prove their reliability and effectiveness. It should also be noted that these cuts still allow for substantial increases in all aspects of military deterrence, land, sea, and air. Many of our figures are drawn from the SANE Military Budget Manual but some are not. We disagree with SANE recommendations in some cases and we are sure that there is room for some disagreement with our specific suggestions. But we believe the larger point remains clear, WE CAN MAKE SUBSTANTIAL CUTS IN MILITARY EXPENDITURES AND INCREASE OUR NATIONAL SECURITY AT THE SAME TIME.

Strategic Weapons Systems

1. Nuclear weapons testing, production, and development. Cut plan to build and deploy 17,000 more nuclear warheads on top of the 30,000 we already have. Wasteful Overkill. Cut 3.5 billion from 5.5 billion budget.

2. Cut .5 billion out of Naval nuclear reactor program. Duplicative.

3. Cut MX program. Destabilizing first strike capability. 4.5 billion.

4. Cut ABM program. Breaks treaty and offers no real protection. 1.1 billion.

5. Cut 3 billion in Trident Submarine program, .8billion in Trident I program, and .4 billion in Trident II development. Destabilizing first strike capability.

6. Cut B 1 Bomber. Obsolete.

7. Cut the Pershing II and Ground Launched Cruise Missile Program for Europe. Highly destabilizing - forces Russians to launch on warning system which places the fate of the world in the hands of Russian computer technology. (We have had three computer errors which, under the projected conditions, if the Russians had them would launch world war III. Save 1.3 billion.

8. Cut Neutron Bomb. Obscene. Save at least 14.4 million and much more.

9. Cut .7 billion in space weapon development while leaving some research funds. Breaks treaty and is destabilizing.

10. Cut .3 billion from Defense Nuclear Agency. This is the agency charged with developing first strike (counterforce) ability.

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Civil Defense

11. Cut all of the civil defense part of the Federal Emergency Management Agency budget. 252 million. false security, may mislead leaders to think we could fight a nuclear war without holocaust.

Conventional Weapons and General Purpose Forces

12. F/A-18 Hornet. Not as good as cheaper A7 or A6. Cut 2 billion.

13. F-14 Tomcat, F-15 Eagle. Over sophisticated, expensive, difficult to maintain, hard to fly, with no demonstrated superiority in tests. They are fitted with Pheonix and Maverick misssiles which are unreliable. Cut 3 billion, about 80% and see if something simpler and more effective can be salvaged.

14. Advanced Medium Range (AMRAAM) and Sparrow air-to-air missiles. More elaborate and less effective than Sidewinders. Cut 560 million.

15. AWACS.Continue development but stop procurement until they are made more reliable and maintainable. Cut 150 million.

16. Army Helicopters: AH-64 Apache (attack) and UH-60 (utility). The Apache is vulnerable and less effective than A-10 planes being obtained for the same purpose. The Blackhawk procurement should be halted to examine extreme cost overruns. Cut 2.5 billion.

17. LAMPS Mark III Anti-Submarine Helicopter. At a unit cost of 39 million it is more expensive than our state of the art fighters. The Navy has a good anti-submarine capacity without it. Cut 1.25 billion.

18. Hellfire Missile (for Apache) and Copperhead Artilery (lasar guided, anti-tank weapons). These weapons are hard to control, expensive, unreliable, and redundant to other good anti-tank weapons.

19. M-1 (Abrams) Tank. Cut 1.8 billion and continue production of M-60 tank. Extreme maintenance and design problems.

20. M-2 and M-3 Fighting Vehicle systems (Armored Personnel Carriers). These are very expensive and problematic systems. Substitute the simple and reliable M-113. Save 635 million.

21. Patriot Air Defense Missile (Army). It has failed its tests miserably. Cancel and save 976.8 million.

22. Division Air Defense Gun. The world's most expensive gun has a vulnerable radar and has failed all its tests. Cut 713.5 million.

23. Stinger Shoulder Fired Anti Tank Weapon (infrared). Cut back and review because of production difficulties and expense. Save 250 million.

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24. NAVSTAR Global Positioning System (24 satellites). This is an extremely sophisticated system which has suffered massive cost overruns. But the main reason for opposition is that its only justification is as part of developing a first strike capability. Cancel and save 276 million.

25. Stop buildup from 38 to 40 fighter squadrons. There is no justification for this buildup as the Russians are not threatening us with a bomber buildup. Many current squadrons are not fully operational. Consolidate and improve readiness of current squadrons and only buy replacement planes. Unknown savings - probably at least 1 billion.

Navy

26. Cut 2 Nimitz class carriers and save 6.87 billion (and more). We already lead 11-0 against the world in large carriers.

27. Cut 2.5 billion for Aegis Class Cruisers in favor of simpler, more reliable, less expensive cruisers.

28. Cut money for nuclear attack subs and save 1 billion. We already have a lot and our strategic defense only requires diesel subs now.

29. Stop the battleship reactivation. Their only mission is as cruise missile platforms. They are vulnerable and very expensive. Save 400 million.

With our NATO allies we have substantial leads in all categories of major fighting ships. To argue that the Russians have more ships is to argue that a coastal patrol boat is equal to a cruiser.

Other

30. Cut our troop levels in Europe, Korea, and the Phillipines, save 2.5 billion and reduce our balance of payments problems.

31. Cut offensive chemical weapons. Save 123 million.

32. Close double-dipping and loopholes in military retirement pay and save 1.12 billion.

33. Cut outbloom of top brass and save 300 million.

34. Cut back sweet heart DOD consulting contracts by one third and save 850 million.

35. Save 5 percent of total budget by following anti waste and abuse guideline. Save 10 billion.

36. Do not add 1.07 billion to purchase program for F-15s to save 42.6 million in procurement costs over 5 years. Very bad economics.

37. Do not add 169.6 million to purchase program of EA-6B to save 36.8 million over five years.

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38. Do not add 562.5 million to purchase of F-15s to save 70.9 million over 5 years. Very bad economics.

39. Cut 1 billion of the Army National Guard request for 4.5 billion in new equipment. The guard has little strategic value.

40. Stop planning to buildup to be able to fight six Vietnam size wars at the same time. This is ridiculous. Who knows how much can be saved here.

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Mr. HEFNER. This is something unusual. People rarely make recommendations for cuts. You outline a few of them here.

I think Mr. Young has a couple of questions.

Mr. YOUNG. Mr. Chairman, I have no questions. Thank you.

Mr. HEFNER. See, he agrees with you.

Mr. CONOVER. We have taken care of that.

Mr. YOUNG. Let me speak for myself on that. I agree with the overall motivation that has been expressed here today by almost every witness. There is a need for an unrelenting search for peace.

Mr. HEFNER. Any further comments?

Reverend GRIGSBY. We would only feel the risks are so great in pursuing such a large expenditure of funds, that we commend any initiatives towards peace that go along with ways we mentioned.

The risks are too great at this point in our history. We feel the time is right.

Mr. HEFNER. Thank you for being with us. You honor the committee by your presence.

WEDNESDAY, AUGUST 11, 1982.

NATIONAL MILITARY WIVES ASSOCIATION, INC.

WITNESS

GAYLE BOLINGER, NATIONAL MILITARY WIVES ASSOCIATION, INC.

Mr. HEFNER. Our next witness is Ms. Gayle Bolinger, National Military Wives Association.

STATEMENT OF MS. BOLINGER

Ms. BOLINGER. Thank you, Mr. Chairman. I would like to thank the subcommittee and Mr. Addabbo for allowing us to testify today.

The issue that our statement addresses is a little different than has been discussed up to now. We would like to address the issue of military health care. I will summarize our statement.

The National Military Wives Association represents family members of the military community and our purpose is to inform and educate military families about the rights, benefits, and privileges available to them.

CHAMPUS OUTPATIENT CARE

Earlier this year, the organization's members indicated that retirement pay and health care are the two benefits that are of most concern to them. We are troubled, therefore, by proposals to limit outpatient care under CHAMPUS.

INACCESSIBILITY

There are many reasons why families are unwilling to use uniformed service facilities and choose outpatient care under CHAMPUS. Four of those reasons are—the first one I have listed is inaccessibility. Family members of active-duty personnel often have difficulty getting an appointment at a military medical facility. Retirees and their spouses experience even greater difficulty. There are five uniformed service hospitals in this area; yet for those of us here, accessibility remains a problem.

I have an example that I think illustrates this problem.

One of our members tried repeatedly to make an appointment for a routine exam at a medical facility near her. The specialty clinic at this particular facility opens its appointment book one day a month at 2 o'clock in the afternoon. Anyone desiring an appointment for that month must call at 2 p.m. on the designated appointment day. You can imagine what happens.

The phone lines are jammed. By 3 o'clock, all the appointments for the month are filled.

After six months of trying, our member was frustrated and she was worried because her checkup was long overdue. She finally

asked her husband, a senior officer, to use his rank to get her an appointment, and he did.

In addition, family members must often wait several weeks before they can see a specialist. If their health problem is potentially serious, those weeks of waiting can be very traumatic.

Finally, many military retirees cannot gain access to the system at all because of insufficient space which is caused, in part, by the current sizing problem which ignores the retired population.

LACK OF RESPONSIVENESS TO NEEDS

The second reason I have listed is lack of responsiveness to need. Recently we asked military families in Europe if their medical needs were being met. 30 percent of the 1300 respondents said their needs were not being met. An additional 12 percent said their needs were being met but then went on to qualify their answers.

We are in the process of summarizing the comments now and I would like to submit our summary for the record at a later date.

Mr. HEFNER. Without objection.

[The information follows:]

National Military Wives Association, Inc.

2666 Military Road, Arlington, Virginia 22207 703 - 841-0462

SUPPLEMENT TO THE TESTIMONY PRESENTED BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON DEFENSE APPROPRIATIONS ON AUGUST 11, 1982

In March 1982, the National Military Wives Association conducted a survey of military families in Germany and Italy. The survey dealt with the quality of military life overseas. The following summarizes the respondents' feelings about the health care available overseas.

Question: Are your medical and dental needs being met?

Answers (from 1342 questionnaires)

Yes without comments	54%
Yes with favorable comments	1
Yes with qualifications	11
No without comments	2
No with comments	27
Not answered but made comments	3
Not answered and no comments	2
	100%

Most frequently listed comments:

MEDICAL

1. No specialty doctors or specialty clinics available.
2. Quality of care inadequate.
3. Appointment problems.
4. Not enough doctors.
5. Hospital too far away.
6. Quality of doctors (inexperienced, foreign trained, not specialized)

DENTAL

1. Appointment problems.
2. Limited or no care for dependents.

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MILITARY HEALTH CARE HAS A POOR IMAGE

Ms. BOLINGER. The third reason I have listed is the military health care system often has a poor image. Some military families believe that the quality of health care available through the military medical system is inferior to that available in the civilian community. While this perception may or may not be valid, it does exist. CHAMPUS gives these families the option of choosing a civilian doctor with whom they feel comfortable rather than using a system in which they lack confidence.

INCONVENIENCE

The fourth reason I have listed is inconvenience. 50 percent of all military spouses work outside the home. These women simply do not have the half-day or more necessary to receive health care from a military medical facility. In addition, most facilities see patients between 9 a.m. and 3 p.m. Monday through Friday. These hours are hardly convenient for the full-time working spouse.

AFFECT ON MORALE AND RETENTION

We are in an era of fiscal constraint and our organization recognizes the need for long-term cost efficiencies. However, the proposal to limit outpatient care under CHAMPUS may save money in the short run but could prove costly in the long run because of the effect on morale and retention.

Since military members consider health care second in importance only to pay, forcing people into an already overcrowded system will compound the problem of inaccessibility. Certainly morale and probably retention will be affected.

In addition, if the military wishes to recruit and retain quality individuals, it must offer the same kinds of quality of life choices that are available in private employment. The right to choose ones family doctor is an important quality of life choice.

We believe that military families should have the choice of using CHAMPUS on an outpatient basis if that is the system that most closely meets their needs.

Before any drastic changes are made in CHAMPUS coverage, we feel that a thorough study should be undertaken to determine ways in which families can be voluntarily drawn back into the military medical system. The National Military Wives Association believes that most military people would prefer health care in military medical facilities if the quality and the availability were there.

Thank you.

Mr. HEFNER. Thank you very much.

Any questions, Mr. Young?

Mr. YOUNG. No thank you, Mr. Chairman.

WEDNESDAY, AUGUST 11, 1982.

NATIONAL DEFENSE SPENDING

WITNESS

REAR ADM. GENE R. LaROCQUE, USN (RETIRED), DIRECTOR, CENTER FOR DEFENSE INFORMATION

Mr. HEFNER. Our last witness is Rear Admiral Gene R. LaRocque.

Admiral LAROCQUE. Thank you, Mr. Chairman.

Mr. HEFNER. Your entire statement will be made a part of the record.

STATEMENT OF ADMIRAL LAROCQUE

Admiral LAROCQUE. Thank you, Mr. Chairman.

Every year at this time you and your colleagues have to decide just how much money we are going to spend for national defense. I appreciate the opportunity to express my views and the views of the Center for Defense Information.

I must say I am certainly honored and pleased to share this hearing with so many distinguished prestigious religious leaders.

After having spent my whole life planning, training, and arming, and fighting in wars, the knowledge that these men and women display is absolutely astonishing. Perhaps even more surprising to me is the fact that they are not treating the military like sacred cows as they used to. They are looking at it, I think, very hard-headedly, very practically, and in the best interests of this Nation.

I think everybody, including my fellow speakers today, would all agree we need to maintain a strong national defense posture. I think defense must rank at the top of our priorities.

MILITARY SPENDING

But we ought not to be deluded that all the money that is in the defense budget goes for the defense of the United States. On the contrary, 10 percent of the defense budget goes for the defense of the U.S.; just 10 percent.

20 percent of the defense budget goes to build nuclear weapons and deliver those nuclear weapons to the Soviet Union. 70 percent of the defense budget goes to project our military power overseas and to defend our allies. This Administration's stated objective, to be able to fight successful wars all over the globe, will result in the development of a military force which will be so large and so costly that it may be ruinous for this nation.

There is no money in the United States Treasury, just a few blocks from here—once a week the United States Treasury holds

an auction to get enough money to run the government the rest of the week. The Treasury is broke; flat broke.

We as a nation for the first time in our history are making a conscious decision to squeeze the American public in order to buy weapons, in order to buy weapons of war. We have never done that in our history. It is something the Soviet Unon has been doing since the communists came to power.

We agree at the Center for Defense Information that we ought to spend whatever is necessary to defend the United States, but we ought not waste a lot of money on forces we simply do not need. I am as concerned as my colleagues here today are, and I am sure you gentlemen are, about nuclear war and the increasing danger of nuclear war.

Frankly, right now I am much more worried about this expanding military spending. If you gentlemen provide all the money Mr. Weinberger wants, and the industries of the United States begin the production of these vast arrays of new weapons, we will commit this nation to an ever-expanding level of military spending which may cause serious deterioration in our economy and in our way of life.

Never in the peacetime history of this great nation have we put such emphasis on the acquisition of military power in an effort to get our way in the world. Instead of expanding our military production for the munitions of war and the formation of more adequate units, we ought to be devoting our energies as a nation to compete in the commercial markets of the world. We should, in my view, at this time be considering a reduction of the 500,000 men and women that we have stationed in foreign countries rather than increasing them.

MILITARY BASES AROUND THE WORLD

We ought to begin reducing the 300 military bases that we have in foreign countries like Japan, Korea, and even Germany rather than looking around the world for new areas to build military bases.

The huge increase in military spending which Mr. Weingerber has proposed is not warranted, will not strengthen the defense capability of the U.S., and in the long run will reduce our security.

NUCLEAR WEAPONS

We have about 30,000 nuclear weapons today. The Soviets have about 20,000 nuclear weapons. Both sides can destroy each other and neither side can prevent destruction of the other—no matter how much money is spent.

Mr. Weinberger's request for money to build 17,000 new nuclear weapons and a significant number of new missiles, aircraft, submarines, and ships to deliver nuclear weapons should be examined with great care. Our analysis at the Center for Defense Information indicates we need no additional nuclear weapons as long as our military posture is to deter a Soviet attack.

If, however, you accept the Administration's statement that our military objective is to prepare for an attempt to win a nuclear war, there will be generated unlimited requirements for nuclear

weapons for us in a war we cannot win. The Administration's nuclear policy is simply and precisely stated on page 5-9 of this year's budget presentation to the Congress:

"U.S. defense policies ensure our preparedness to respond to and, if necessary, successfully fight either conventional or nuclear war."

Mr. Chairman, I think that is the first time in the history of this country where any administration or any portion of our government has stated flatly that the military posture of the United States is to successfully fight a nuclear war. I think it has been ignored to a large extent, although it was provided to the Congress earlier this year.

If you decide to give Mr. Weinberger and his associates all the money they ask for, it will be an egregious waste of the taxpayer's money. If on the other hand you decide to give Mr. Weinberger and his associates 10 percent less money than they requested, the country will be better off and in the long run our security will be strengthened.

Thank you very much.

NO WINNERS IN NUCLEAR WAR

Mr. HEFNER. You said there will be generated unlimited requirements for nuclear weapons for use in a war we cannot win. Do you also say that the Russians cannot win also?

Admiral LAROCQUE. That is right, sir. There will be no winners in a nuclear war. Buying more weapons by the Soviets or ourselves in no way moves to assure a victory on either side. If the Soviets had twice as many weapons as we have today, they could not win a nuclear war. If we have twice as many as the Soviets, we cannot win a nuclear war. I do not know anybody that suggests we can.

Mr. HEFNER. So in an exchange there will be some—with the repercussions and what have you with the people trying to dig out and find water to drink and something to eat, even the Third World nations, by comparison, would be well off compared to us after an exchange.

Admiral LAROCQUE. I think the nations south of the equator may survive. I think everything in the northern hemisphere will be very severely damaged, our way of life, the societies that we know today. They would simply not exist any more. There may be some survivors, but there would be very few.

LAUNCH ON WARNING

Mr. HEFNER. The thing that has bothered me is that we don't have a basing mode for the MX. We talked about hardening silos, this sort of thing. I never believed that we intend to absorb the first strike and then retaliate.

I believe that once we see that the Russians have launched, we know they are not launching against Germany or Japan, we know where they are launching for. I just believe that, once they launch that, we are going to have a criss-crossing of missiles and it will be almost a simultaneous attack. I don't believe, we have ever really believed we would absorb the first strike, look around, assess the damage, and then launch.

Do you think we ever had that kind of strategy?

Mr. LAGOMARSINO. No, sir. We have never had it. I can corroborate by my own personal experience in developing plans to do just the sort of response that you have suggested that we probably would do.

That is the essence of deterrence, this ability to respond once the Soviets have launched their missiles to the United States. I spent a couple of years in the Pentagon, in strategic planning, trying to get our response time down to 30 minutes so if we get some warning time, with knowledge that the Soviets have indeed launched their missiles to the U.S., we have 30 minutes to work on. We have to get the message to the President, get his decision, get the message to the commanders-in-chiefs, and launch our missiles before the Soviet missiles land on the U.S. We have it down to about 29 minutes.

I think that is an essential part of your deterrence theory, although it is a very dangerous one, to be able to respond in the time that the Soviet missiles are enroute to the U.S. That has been our plan and policy ever since I was in strategic planning since 1956. I think it still is today.

U.S./USSR MILITARY STRENGTH

Mr. HEFNER. I am a very strong supporter of national defense. There is one thing that really bothers me. I hear spokesmen that make sweeping statements that we are so far behind the Russians, the U.S. is so weak we could not lick a good Boy Scout.

I think that does a disservice to our country. I do not believe that. I think if the American people were privy to the information I am privy to, that is classified, that I can't talk about, in my opinion I don't know of any military people that would trade capability with the Russians.

If you were still in the active service, and you had the chance to become a rear admiral in the Russian Navy and accept that responsibility, would you trade places?

Admiral LAROCQUE. I would not trade any of our services, Mr. Chairman, for any of the Soviet services. The quality of our people is much higher. We don't have a conscript force, we have a volunteer force. We have greater tenure. Our people stay longer. Our equipment is much better.

In the recent fighting in the Middle East, using almost all our planes, the Israelis destroyed 82 Soviet MIGs up to and including some MIG-25s. That speaks very well for our equipment. The Israeli pilots are very good, that is true.

Our submarines are much better than the Soviets. We have been leading the Soviet Union in the strategic arms race, in the deployment of every strategic weapons system since we developed the atomic bomb, by three to five years. The atomic bomb, the hydrogen bomb, we deployed our ICBMs first; our aircraft, our strategic bombers are all jet-propelled.

We went on to MIRVing five or six years before the Soviets. We are going on to the cruise missiles now. In almost all strategic weapons systems we have been three to five years ahead of the Soviets. So I think that we are in much better shape today.

I would agree with you completely, Mr. Chairman, that those who suggest that our military forces are not strong do a great disservice to the people who serve in our military and intend to weaken the defensive posture of this country.

Mr. HEFNER. Is that a strategy the Pentagon uses to get full funding?

We have had generals and admirals sit at this table and talk about how vulnerable we are and what our great needs are.

It puts our people in a pessimistic mood. Certainly the people of this country want to do what needs to be done for the defense of this country. When you look at the billions and billions of dollars spent, and if we have wasted it this bad, if we are this far behind with all the moneys we have spent, someone should be brought up on charges of treason, because it is absolutely criminal.

This to me seems to be doing a bad disservice to our country.

Admiral LAROCQUE. I agree with you, sir. I think we ought to fire some generals and admirals if that is, in fact, the case.

Mr. HEFNER. We should court martial them, not just fire them.

Admiral LAROCQUE. I like that idea better.

We have given them the best of our young men and women in this country. The pay is good. The equipment is the best any nation in the world can provide. If they can't meld that together into a fighting team, they ought to be court martialed.

Mr. HEFNER. I do not think that is the case. I think they have to some extent.

I think there is a political mentality here that indicates we must have everything that is requested in the defense budget.

I am a strong supporter but this bothers me.

Admiral LAROCQUE. That is fair enough.

The technique has been in the Pentagon, and we used to have training sessions before we came over to testify before you gentlemen, and we knew in a sense we had to scare the pants off the American public and off the Congress in order to get the weapons systems we wanted and get the money we wanted. It is a personal challenge to each of the officers who come here to sell his product to you.

Mr. HEFNER. Did you see the light of day after you left? Or were you seeing the light of day while you were there?

Admiral LAROCQUE. I watched a good bit of it while I was there. I was uncomfortable with the fact that we in the Navy seemed to be concerned only about the Navy. If we could do it in the Army or the Air Force, that was okay. They had the same attitude towards us. There was nobody looking at it from the point of view of what was the best interest of the nation.

Each of them comes here as spokesman for their own service. Even within each service, in the Navy for instance, the submariners, the carrier aviators, the surface officers each represent their own branch. They come here persuading—trying to persuade you to give them what they need. The success of a one-star commodore or brigadier depends to a large extent whether he can convince you to keep funding his program. The same thing is true two and three stars, right up to the top.

Mr. HEFNER. We want to give them what they need. That is really tough to determine.

As you said earlier, there is military spending that is not necessarily for defense. I like it when we have a defense bill for it to be for defense.

Mr. Young?

ONES WHO SERVE OUR NATION DESERVE CREDIT

Mr. YOUNG. Mr. Chairman, thank you very much. I have enjoyed your conversation with the Admiral.

None of us are perfect. We in the Congress, of course, feel the brunt of criticism because we are basically faceless and nameless. We are an institution that is subjected to a lot of criticism, although each of us individually are dearly loved back in our districts, the same thing I think you can say for the Pentagon, for those officials who run our Defense Department. Basically they are faceless and nameless. It's easy to criticize the concrete structure called the Pentagon. It's easy to criticize the generals and admirals and lesser ranking officers.

I have to admit I do that on occasion myself. But I think it is only appropriate to also have the record established that these people have done a pretty good job of keeping Americans free by bailing us out of military situations that some of our political leaders got us into.

I frankly think that those who have served our nation in the military deserve a whole lot more credit than they get, despite the fact that they, like us, are not totally perfect.

I appreciate the exchange of thoughts and ideas.

Admiral LAROCQUE. My son Jim, who is a lieutenant commander in the Navy, will appreciate your comments. My other son, who is a Vietnam veteran, will be appreciative of it. I think you are absolutely right.

On the other hand, I think we have to be careful not to fall overboard and treat the military and Pentagon as sacred cows. They ought to be working for the Congress and people of this country. I think we have tended to give them too much status over a long period of time because they have served us well, but we are in a new era now, with nuclear weapons and the threat of nuclear war, and these tremendous costs.

The problems we are having in the country economically, we ought now perhaps question more than ever the military when they come asking for more and more money and more weapons.

Mr. YOUNG. If it will make you feel better, Admiral, I can tell you that you ought to be here with us when we mark up our bills. I think you would be very satisfied with the close scrutiny these people subject to these programs when it comes time to add up or subtract the dollars.

Admiral LAROCQUE. Thank you. We are counting on you and your colleagues, Mr. Young.

Mr. HEFNER. I will agree with you.

Today we passed one of the biggest military construction bills in the country for housing. When it comes to cuts, we make the cuts

in the readiness, ammunition, the things that affect people. We get so caught up in the systems and what have you. That, I think, does a disservice to the people you are talking about. I think you are exactly right.

Thank you for being with us, Admiral. It was certainly very good testimony.

Everybody else that took part as witnesses today, we were happy to have you folks with us.

The committee stands adjourned.

[CLERK'S NOTE.—The following statement was submitted for the record by Hon. Jim Courter, a representative in the Congress from the State of New Jersey.]

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Congress of the United States
House of Representatives
Washington, D.C. 20515

August 10, 1982

Hon. Joseph P. Addabbo
Chairman
Subcommittee on Defense Appropriations
H-144, The Capitol
Washington, D.C. 20515

Dear Mr. Chairman:

I welcome the opportunity that you have afforded Members of Congress to testify before your subcommittee and to discuss those programs of interest to them in the 1983 defense budget. Though I cannot be present, due to scheduling difficulties, I hope that this correspondence will be considered part of the official record of your hearings.

The Department of Defense (DoD) has embarked upon a new and vital program to curb the loss of critical technology to real and potential adversaries of our nation. Secretary Weinberger has designated the Assistant Secretary of Defense for International Security Policy to establish an office with a modest staff in order to monitor United States and Western trade in high technology items. In addition, this office is charged with making policy recommendations to the Office of the Secretary of Defense (OSD) as to how best go about either restricting or curtailing transfers of critical technology, products and munitions to nations whose objectives are inconsistent with the foreign policy and national security interests of the United States. I am enclosing a brief article that outlines the threat and the problems of technology transfer in a clear and succinct manner. It is very unfortunate that the Soviets have saved years of research by procuring American and other Western technology by legal and illicit means. Therefore, I highly commend DoD for demonstrating their willingness to do something meaningful about this problem.

The Congress has already acted to assist this new and modest program by authorizing two million dollars added on to the 1983 defense authorization bill, while that legislation was before the House Committee on Armed Services. The House went on to agree to this amount when we passed H.R. 6030 recently. The Senate conferees on the defense authorization bill, will, to the best of my understanding, accept the House amendment. This action has the strong backing of DoD. The two million dollars would go for staffing of the policy office in OSD and permit OSD to carry out its license review responsibilities and other initiatives involving coordination with NATO and COCOM, as they relate to the technology transfer problem. I believe that this is a very important and cost-effective way to enhance our national security, and I urge that these funds be included in the 1983 Defense Appropriations Act (R&D).

I truly appreciated the opportunity to present this information to you, and hope that you and your subcommittee will concur with DoD's efforts.

Thank you.

Sincerely,

Jim Courter

Jim Courter
Member of Congress

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Enc.

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THE SOVIET CONNECTION

The USSR has taken advantage of our loose export controls and—legally or otherwise—acquired vital goods and equipment.

THE SOVIET

Union is undertaking a large-scale effort to improve the technological quality of its huge war-fighting apparatus. The assessment of the Department of Defense and of the Reagan Administration is that this highly coordinated Soviet effort is being carried out at the expense of the Free World by a raid on our technology base.

Soviet leaders have learned that they have access to Western technology both through legal and illegal channels. Under the guise of purchases for benign, civilian objectives, the Soviets have obtained a wide range of equipment critical to their military program. Where they have failed to get what they want openly, they have resorted to a well-coordinated, illegal acquisition program. Using agents, co-opting citizens, taking advantage of unsuspecting business men and women, moving goods through neutral and third world countries, exploiting the weaknesses in our control system, they are gaining access to Western technology on an unprecedented scale.

Until now, the West has failed to respond to this challenge. Our export requirements were too loose. Our enforcement program was lax. Too many loopholes in our international control system persisted. Clear-cut violations of international export laws were forgiven and forgotten. Violators, when they were caught, were either not punished or got off with modest fines.

The result? The Soviet raid on our technology base not only continued—it increased in scope.

Let me describe for you how all this occurred, how the Soviets profited as a result, and what we are doing about it.

We would do well to recall that only a decade ago it was fashionable to believe the Soviet Union would shift its emphasis from military pursuits to improving the material well-being of its citizens. Many felt the Soviets, with the right encouragement, would manufacture fewer guns and, instead, produce consumer goods greatly desired by their people. Accordingly, national and international controls were restructured to give the Soviet Union more access to Western technology and products.

Sophisticated goods and equipment were sold with winks and nods from Free World countries. Indeed, it is a sad fact the United States actually requested and received more exceptions to the international control list than any other participating Western nation. It is even more grim to note, in retrospect, many of the exceptions granted to the United States under the international control program contributed

By Richard N. Perle
Assistant Secretary of Defense
For International Security Policy

From congressional testimony, November 12, 1981

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directly to Soviet military modernization.

Today, we can see the result of the laissez-faire attitude of the last decade in the size and in the technological capability of the Soviet armed forces. The Soviets have introduced new generations of smart weapons, dramatically improved their airlift capability, made their nuclear weapons more accurate and deadly, and enhanced their command and control with better computers and communications.

The Soviet Union fields some 50,000 effective main battle tanks and over 20,000 artillery pieces, all of which are protected by a sophisticated anti-aircraft net which can move with the Soviet land army. There are more than 5,000 helicopters supporting the armed forces including helicopter gunships, some of which are in service in Afghanistan. In Eastern Europe alone, there are 3,500 advanced tactical bombers, interceptors, and fighter aircraft. In the last eight years, Soviet military industry has turned out over 1,000 fighter aircraft each year. The operational supersonic backfire bomber can support Soviet land and naval forces in critical areas such as the Middle East and Persian Gulf.

In addition, the Soviets are expanding their nuclear arsenal. Western Europe, Japan, and China are under the shadow of a new family of Soviet SS-20 intermediate range ballistic missiles. Each missile is equipped with three independently targeted nuclear warheads.

Despite the evidence showing that the Soviet Union continued its military build-up and modernization program, the liberalized system of international export controls was allowed to persist unchanged. As a result, the Soviets continued to use Western technology to support their burgeoning military-industrial system.

Today, there are over 135 military industrial plants operating in the Soviet Union, spanning over 40 million square meters of factory floor space and turning out more than 150 major weapons systems. In addition, there are hundreds of factories producing both civilian and military goods, with the first priority always for the military. And, there is a stand-by system of dedicated factory space to pick up military production in wartime.

Since 1970, despite "detente," the USSR has increased its military manufacturing base by 40 percent. In the comparable period, our military industry shrank as our defense investment declined. While we struggled over what weapon systems to produce, and cancelled many important programs, the Soviets pushed ahead dramatically.

Nor did their effort stop with adding manufacturing capacity. The USSR has been enlarging its research and development structure to support its growing military industry. In aerospace alone, in this past decade, they have expanded

Liberalized trade policies in the West have contributed directly to Soviet military modernization.

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THE SOVIET CONNECTION

The Ryad is a near-exact copy of an IBM. The Soviets want their computers to work with future generations of Western equipment.

their research and development capacity by over 30 percent.

The manpower pool of scientists and engineers for research and development is also expanding. In 1980, this base of professionals consisted of 900,000 engineers and scientists—the world's largest. It is sobering that for 1980, the Soviet Union graduates an additional 300,000 engineers to buttress this undertaking.

Even with her massive domestic effort and the help she gets from the Warsaw Pact countries such as East Germany and Czechoslovakia, the Soviets cannot, nor are they trying, to go it alone. They rely heavily on Western technology for industrial modernization and new products.

From the Soviet point of view, there are immense benefits from exploiting the West's advanced technology base. These benefits to the Soviets include:

- Saving billions of dollars by acquiring proven Western technology,
- Saving years of research time,
- Avoiding mistakes and errors that are costly and time-consuming,
- Knowing in advance that new systems will work properly and, alternatively, knowing where to look should a particular project get in trouble.

The list of technology for military use acquired from the West is a long one. It includes high-speed computers used for designing weapon systems, signal processing, command and control and intelligence gathering; semi-conductor manufacturing know-how used to make Soviet weapons more reliable and precise; guidance technology for aircraft, ships, submarines, and missiles; and equipment to improve the Soviet military industrial base—ranging from precision machine tools to process know-how technology.

Much of this has happened because our international control system has broken down. That control system is centered around a voluntary organization called the "coordinating committee," or COCOM. Under COCOM controls, critical goods were legally exported to the Soviet Union. Some examples include:

- Western shipbuilding know-how and equipment including dry docks, expanding their naval construction, and repair capabilities.
- Heavy vehicle construction plants and plant support facilities giving the Soviets a quantum jump in load durability and reliability and far better mobilization potential. For example, Kama River trucks are used by the Soviet army in Afghanistan.
- Western semiconductor and micro-electronics know-how, giving the Warsaw Pact an electronics manufacturing system that is operating in support of the military. In addition, modern printed circuit facilities were exported to the Soviet Union.

These legal acquisitions are supported by even more far-reaching illegal acquisitions. For example, only this past summer, millions of

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dollars worth of high grade electronic polysilicon were diverted to the Soviet Union to fill military needs.

Illegal acquisitions are taking place across a wide front. To give just one example, the Soviet Union illegally acquired IBM 360 and 370 main frame computers from the West. Their objective was to use the IBM computer as the base design of their own *Ryad* computer series. The copy was nearly exact, and for a very good reason. They wanted their computers to work with future generations of Western equipment. It is interesting to note the Soviet Ryad computer series uses the same repair manuals as the IBM.

There are many ways the Soviets acquire embargoed equipment. One is to have the goods sent to a neutral or non-aligned nation and then divert it to the Soviet Union. Neutral countries generally do not maintain embargo laws. Some very sophisticated electronic gear and manufacturing equipment have been transferred this way.

The Soviets support the illegal acquisition drive through controlled "front" corporations, by co-opting business men and women and factory workers, through bribery and shady deals.

They also maintain an intelligence system keyed strongly on emerging technologies of high military value. They keep a close watch on the latest developments in the computer industry, in advanced large-scale integrated circuit design and manufacturing know-how, on magnetic bubble memory technology, on developments in genetic engineering, fracture mechanics, and superplasticity.

One part of this collection system is devoted to exploiting Western technical literature, including technical information published by our own government.

The Soviets also are participating in commercial and scientific data exchange programs. Through such means they have access to a very wide range of information about Western business, industry, and science.

In sum, the Soviets are managing an exploitation network essential to improving the quality of their military weapons and to the military-industrial base that builds the weapons.

They are taking advantage of the gaps in our export control system and the vulnerability of the West to easy exploitation. They are using our free institutions and our open system against us.

And, because our own national defense system has not modernized fast enough, the Soviets are exploiting many civilian technological breakthroughs yet to be used fully to upgrade our own military hardware.

It is here we face the greatest danger. While we have committed ourselves to rebuilding our national defenses, it is going to take us time to do so. It is essential, while we improve our own defenses, we close down Soviet access to the technology they want for their military build-up.

At stake is our ability to maintain the balance of power and protect the peace.

Richard N. Perle
Mr. Perle is a former staff member of the Senate Permanent Subcommittee on Investigations; Subcommittee on Arms Control, US Senate, Committee on Armed Services; and Subcommittee on National Security and International Operations, US Senate. He was a consultant prior to assuming his present position. Earlier he had been a consultant with Advanced Studies Group, Defense and Space Center, Westinghouse Electric Corp., and with Sandia Corp. His education includes a BA (International Relations) from UCLA, Honors Examinations at London School of Economics and Political Science, and an MA from Princeton Univ., Department of Politics.

They have used our free institutions and our open system against us.

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The President Imposes Sanctions

In late December, following the repression in Poland—for which the Soviet Union bears a heavy and direct responsibility—the President announced a number of sanctions against the Soviet Union. Several of the measures bear directly on the issues discussed by Assistant Secretary Perle in the two articles presented here.

- The Soviet Purchasing Commission has been closed.
- The issuance or renewal of licenses for the export to the USSR of electronic equipment, computers, and other high-technology materials has been suspended.
- Licenses will be required for export to the Soviet Union for an expanded list of oil and gas equipment. Issuance of such licenses has been suspended. Pipelayers are included.
- US-Soviet exchange agreements coming up for renewal in the near future—including the agreements on energy and science and technology—will not be renewed. There will be a complete review of all other US-Soviet exchange agreements.

Even before the crackdown on human rights in Poland, though, the Reagan Administration had been moving on a broad front to protect Western technology from Soviet acquisition efforts. The United States seeks to prevent manufacturing know-how from reaching the Soviet Union where it can be used to support their military industrial base. The focus is on controlling critical production equipment and production technology.

Eastern Europe. Although there is a political-economic basis for differentiating between Warsaw Pact members, DoD sees little basis, if any, for differentiating between the military production contributions made to the Warsaw Pact forces by its East European members. Of considerable further concern is the likelihood of the Soviet Union acquiring advanced Western technology from any Warsaw Pact member by exerting the necessary pressure or sometimes merely requesting the information or product. There is evidence that the Soviets have sought to have at least one Eastern European country favored by the West act as a conduit for Western technology not otherwise available to them. We have reason to believe this one source is not alone. Therefore, the Defense Department is exercising considerable care as part of its participation in the review process and in asserting as clearly as possible the national security concerns connected with proposed exports.

COCOM. "Surely the time has come to make COCOM more effective and to restore the confidence and trust that must be felt by all who participate," Mr. Perle told Congress last fall. "We look to COCOM to tighten up the international control structure and take a more active enforcement role through member nations. We also hope to see a major list review in 1982 to assure that the whole COCOM system is overhauled."

Critical Technologies. The Military Critical Technologies List (MCTL) effort is headed in the Department of Defense by the Office of the Under Secretary of Defense for Research & Engineering. The list underwent a major revision in FY 1981 with industry participating in the effort, and the revised document was completed on October 1, 1981.

Until now, there have been no changes in the Commodity Control List (CCL) directly based on the MCTL effort. However, a number of our recent COCOM proposals have been developed based on information garnered from the MCTL undertaking.

"At some point soon, we will be reviewing the revised MCTL and comparing it on a point-by-point basis with the CCL," Mr. Perle said. "We hope, thereby, to make recommendations for revisions of the CCL to take advantage of the considerable research effort represented in the MCTL effort."

Best Available Copy

[CLERK'S NOTE.—The following statement was submitted for the record by Hon. David E. Bonior, a representative in the Congress from the State of Michigan.]

Congress of the United States
House of Representatives
Washington, D.C. 20515

STATEMENT OF THE

HONORABLE DAVID E. BONIOR

AUGUST 10, 1982

Mr. Chairman and Members of the Subcommittee, I would like to thank you for the opportunity to present my views to you today concerning the issue of chemical weapons funding. On Thursday, July 22, the House of Representatives clearly supported a continuation of our 13 year moratorium on the production of chemical weapons. By a 232 to 181 vote, the House adopted an amendment to H.R. 6030, the Defense Authorization bill, that prohibits use of authorized funds for procurement of binary chemical munitions or for production facilities. In addition, the House voted 251 to 159 to strike the $54 million contained in the bill for the production of binary chemical weapons. These House votes represent the sole departure from the Administration's defense requests and given the close Senate vote upholding binary production, 49 to 45, demonstrate the bi-partisan opposition to renewed chemical weapons production.

On the House side, the intent of Congress is clearly in opposition to production of chemical weapons. As the Committee on Appropriations, Subcommittee on Defense considers its legislative responsibilities, I believe it should reflect on the debate that took place on July 22, 1982 and oppose appropriating any funds for the production of binary chemical weapons.

The failure to authorize and appropriate funds for the production of binary chemcial weapons would not leave the United States without any chemical weapons program. In fact, the total U.S. chemical weapons program was authorized for $705 million in fiscal 1983. The action by the House in July would only strike $54 million from that amount and only that portion that was targeted for binary production. Full funding for protective measures, maintenance of our present stockpile of weapons and research and development will be retained.

The ultimate victims of binary weapons would be civilians, who lack the sophisticated protective masks and clothing of both allied and enemy troops. Computer simulations by the Pentagon show that the number of casualties in a chemical weapons conflict would match or exceed those of a nuclear war in Europe.

Dr. Matthew Messelson, noted expert in this field, stated that the unpredictable effects of the weather, particularly the wind, could carry binary chemicals several miles downwind, killing and incapacitating civilians far from the battlefields. I do not believe this is the type of weapon the U.S. should depend on in a conflict situation.

There appears to be broad agreement among our NATO allies against the deployment of binary chemical weapons in Western Europe. At a time when the U.S. should be strengthening its relationship with NATO, production of chemical weapons does exactly the opposite. In Europe, the U.S. decision to produce chemical weapons seems to reflect the logic of the neutron bomb carried to a new extreme. Chemical weapons will leave not merely the buildings, but soldiers as well, concentrating death on civilians alone.

The resumption of chemical weapon production at this time would also complicate our efforts to negotiate with the Soviet Union on this difficult issue. Bi-lateral talks with the Soviets began in 1976, with significant progress made prior to the decision by the Reagan Administration to halt talks. Escalation prior to negotiation only hampers our ability to reach an agreement with the Soviets and weakens our ability to convince a skeptical world that the

United States is serious about the spread of chemical weapons and their threat to world peace.

The question then arises, what benefit can be gained from a defense policy that endangers our relations with our allies and thwarts efforts to negotiate with the Soviet Union? The answer appears that there are few, if any, military or strategic benefits arising from the production and potential use of chemical weapons. Chemical weapons funding diverts attention and resources from our efforts to bolster our conventional forces. Their military effectiveness is limited given the standard battle procedure of employing cumbersome, protective suits and gas masks at the first indication of a chemical attack. At best, the use of chemical weapons can only slow down the pace of an attack. At worst, chemical weapons may force an escalation to tactical nuclear weapons to avoid a defeat.

The Defense Appropriations Subcommittee has the opportunity to build on the firm foundation laid by the House on July 22 and oppose appropriating funds for the production of a new generation of binary chemical weapons. Such a move would not only acknowledge the intent of the House of Representatives in this matter, but would confirm the common sense and decency of the American people.

Thank you.

(Clerk's note.--The following statement was provided for the record by H. Irene Hallberg.)

Testimony for FY 83 Defense appropriations on Chemical Weapons portion -

I am opposed to the Reagan Administration's constantly escalating arsenal -- MX mobile missiles, the Anti-Ballistic Missile and Binary Nerve Gas -- for the following reasons:

1. It is unnecessary. The U.S. has 30,000 nuclear warheads compared to 20,000 for the Soviets.

2. The U.S. has the means now to destroy every Soviet City more than 50 times.

3. Men seldom create armaments that are not eventually used.

4. The real push for these weapons comes from the arms industry and the profits are likewise going to these companies. The five largest military contractors spend $9 million a year for their Washington-based "government-related" offices.

5. The money proposed for these weapons would be enough to provide housing, medical care, S.S., education as well as their human and legal rights.

6. The use of these weapons will not solve our problems. In the words of Douglas Frazier, "No matter how big our armed forces, no matter how many bombs or missiles the U.S. has our country cannot be ... totally secure unless we eliminate poverty and bigotry, and establish social, political and economic justice for all people."

7. It will damage the NATO Alliance and create problems between the U.S. and other countries everywhere.

8. Wars do not solve problems -- they create problems.

9. The use of these weapons could destroy our planet -- insects, birds, animals, atmosphere, water, soil, human beings. "The use of these weapons will leave a legacy of shame and disgrace worse than the Nazi Holocaust."

Therefore, the U.S. should focus its attention on negotiations and conferences to seek the international banning of production, storage, and use of all nuclear weapons. The U.S. must stop the sale of these weapons to other nations.

"Peace" not war should be our goal.

H. Irene Hallberg (Ed.D.)
Retired Citizen

Best Available Copy

[CLERK'S NOTE.—The following statement was provided for the record by the American Legion.]

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

STATEMENT OF JAMES HUBBARD, DEPUTY DIRECTOR
NATIONAL SECURITY COMMISSION
THE AMERICAN LEGION
TO THE SUBCOMMITTEE ON
DEPARTMENT OF DEFENSE APPROPRIATIONS
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
AUGUST 10. 1982

Mr. Chairman and Members of the Subcommittee:

Thank you, Mr. Chairman, for providing The American Legion the opportunity to present its views on FY 83 Defense appropriations. The views which will be discussed today represent the concensus of Legion membership as adopted by the delegates to our 63rd annual National Convention held last year in Honolulu, Hawaii.

Overall, Mr. Chairman, The American Legion is pleased with the recent progress which has been made toward the modernization and rebuilding of our nation's defenses. However, following a decade of reduced development and slowed research, it will take a large measure of national will and resources to rebuild the weapons systems which are required by our outnumbered forces to provide a significant deterrent and if necessary confront and fight an aggressor. We say this, keeping in mind, however, that the armed forces should be designed first as a deterrent; acting in an offensive capacity only after active military aggression by others. Our armed forces must be structured and equipped so as to insure against either military or diplomatic action against

the United States. To augment our ability to deter aggression, the United States must remain committed to cooperation with our NATO allies in an effort to continue to maintain peace through a significant show of military strength and determination.

At this point, Mr. Chairman, we feel it is appropriate to direct our comments toward those particular issues which, in the Legion's view, warrant the careful consideration of the Subcommittee as it begins to shape the appropriations package which will dictate the direction of the U.S. Armed Forces in Fiscal Year 1983.

Large Deck Carriers and Navy Modernization

It has been several years since The American Legion began to advocate the need to modernize the U.S. Navy through the construction of new, large deck nuclear powered aircraft carriers. This belief has been strengthened by the recent crisis in the Falkland Islands. The British clearly lacked adequate air cover which cost them the destroyers Sheffield and Coventry at the hands of the Argentine air advantage. While this has been cited by naval critics as proof positive that surface ships are obsolete in an era of Exocet, Harpoon and Tomahawk missiles, nothing could be further from the truth.

Most discussions of surface ship obsolescence ignore the fundamental differences in the make up of the British task force and that of a U.S. Carrier Battle group. The British utilized two small aircraft carriers with no more than 35 SEA HARRIER jets and a number of helicopters. Lacking both the ability to deploy airborne warning system aircraft from the carriers and a readily accessible airfield, the British were unable to utilize their

version of our AWACs planes, the NIMROD. The limited fuel capacity of the Sea Harriers and the lack of carrier-launched, refueling aircraft precluded their use for long-range patrol missions to protect the fleet. Thus, the Sheffield, lacking sufficient air cover, fell victim to the Argentine pilot flying a French Super Entendard equipped with Exocet missiles. Being able to fly at undetectably low altitudes, the Argentine pilot was able to jump up, lock the Exocet missile on target and drop back to his original altitude and escape. With no anti-missile capability and no air cover, the Sheffield was fatally vulnerable.

In contrast, a U.S. Carrier Battle group has all of the necessary defensive capabilities to prevent the occurrence of the above chain of events. The E-2C Airborne Early Warning aircraft had been offered at one time as an alternative to much larger E-3 AWACs. It can provide the necessary early warning data concerning the approach of enemy aircraft in time for the carrier to deploy sufficient airpower to combat the threat. Even if substantial numbers of enemy aircraft were encountered, the anti-missile capability available to the U.S. fleet could deal with any missile attack. The imminent addition of the AEGIS anti-missile defense system will significantly enhance this anti-missile capability. To sum it up, the critics of the large deck carrier concept totally ignore the offensive combat power and defensive capabilities inherent in this type of naval force. In light of these facts, The American Legion completely supports the recently passed House authorization of $6.8 billion for construction of two Nimitz-class, nuclear-powered aircraft carriers.

<u>Modernization of the Army</u>

You may recall, Mr. Chairman, that last year we testified in favor of both the M-1 tank and the M-2 infantry fighting vehicle. We remain convinced that these two weapons systems will give the Army an enhanced combat capability on the battlefield.

The M-1 tank has received a great deal of scrutiny by the Congress both as to its increased cost and its combat capabilities. The media have also focused on its alleged shortcomings and while some groups have sought to kill the program, to do so would deprive our soldiers of one of the best, most capable weapons systems ever designed for ground combat. Despite the attacks the M-1 has sustained, it remains the most advanced tank available in the world. The improvements in crew survivability and weapons accuracy make this system unsurpassed and the clear choice for our ground combat forces.

The M-2/M-3 Bradley Fighting Vehicle also represents a significant advance in ground combat equipment. The American Legion believes this vehicle is an essential element of the Army's modernization efforts. There is an urgent need to equip our troops with this vehicle. We cannot afford to further jeopardize the lives of American troops by sending them into battle with 1950s technology when the M-2/M-3 systems are equipped with stabilized guns and anti-tank missiles which are far better able to defend the personnel they carry.

Mr. Chairman, following our participation in an actual comparative demonstration of both the M-1 tank and the Bradley Fighting Vehicle with their current counterparts, The American Legion has concluded that in spite of the increased costs, the

enhanced combat capability and improvements in crew survivability make these weapons well worth the price. We firmly believe they should be made available to our troops as soon as possible and accordingly, the Legion supports the $4.7 billion contained in the House authorization bill for tracked combat vehicles.

The Army has been attempting to field an all-weather attack helicopter since the mid-1960s. During the same period of time, the Soviets have been successful in deploying their version of this helicopter. As witnessed by events in Afghanistan, they have also successfully utilized this helicopter in combat. The Soviets have even shipped the HIND-D armored, all-weather helicopter to Cuba. The ability of this helicopter to engage in offensive attacks day or night, good weather or bad, makes it a formidable weapon which could easily defeat conventional forces, particularly during night maneuvers and foul weather. We in the United States have been overly concerned with the cost increases of the AH-64 program, resulting in the fact that the U.S. Army is still without an all-weather attack helicopter. A careful analysis of the figures shows that the actual growth in total procurement cost of $710,000 per aircraft represents less than a 10% increase over prior cost estimates and compares favorably with other weapons programs during the transition phase from R&D to procurement.

We are concerned with the Senate's decision to defer the $793 million requested to produce 48 AH-64 helicopters with the exception of $73 million for production options in FY 84. This delay will only serve to increase the ultimate cost of this necessary weapons system. We, therefore, request that you favorably consider the Administration's request for full funding of this important program.

Air Force Strategic Programs

The American Legion for some years now has advocated an upgrading of the manned Bomber Force. In this regard, we deem it vital to proceed with development and deployment of the B-1B manned penetrating bomber. This weapon would replace the aging B-52 as the third and most flexible leg of the strategic TRIAD. The Subcommittee is well aware of the age of the B-52 fleet and the fact that its instrumentation and speed limitation have raised the question of its ability to effectively penetrate Soviet air space to deliver nuclear weapons. Therefore, the budget request for the B-1B is supportable on the grounds that the B-52 clearly needs replacement as it is too old to perform this mission. We would suggest, however, that the B-52 may be extremely useful if deployed against enemy naval units. Pinpoint bombing with conventional weapons has not lost its usefulness in some areas of conflict. The B-52 has an excellent record in this role and will be useful for some years to come. Only the B-1B, however, has any hope of surviving to accomplish the mission of penetration.

As is widely supposed, the Minuteman missile force is now vulnerable to a Soviet first strike. The Minuteman also lacks the accuracy and yield necessary to kill hard targets. For these reasons, we believe the U.S. must proceed with the development of the M-X. Failure to do so will send an inappropriate signal to our enemies and allies alike. Unfortunately, a permanent basing mode for the M-X has not been established, however, The American Legion applauds the authorization of $1.14 billion to build the M-X and the $2.6 billion for research and development, including $974 million related to the basing program, which will

be released when President Reagan determines a suitable basing mode.

The economic problems currently plaguing the country have raised serious questions in the minds of some people as to whether this nation can really afford to rapidly rebuild our defenses at this time. It is important to mention, at this point, that Legionnaires are also taxpayers, and as such are also concerned with cost increases in major weapons systems. We recognize that over-runs due to errors in design, increases due to inflation, changes in training requirements and procurement of spare parts, ultimately result in fewer systems purchased. Decisions concerning their procurement must be made carefully, based on coherent analysis of each system in an effort to avoid the reoccurrence of these problems.

In late 1981, the Secretary of Defense had his staff analyze the effects of increases in defense spending on federal tax receipts. This analysis showed that an increase in defense spending of $1.00 will return, on an average over a four-year period, about 77 cents in federal tax receipts. Federal expenditures would increase by $1.16 (due to a slightly higher federal debt burden and increased CPI). The net impact then on the federal deficit would be an increase of just 39 cents. The analysis also showed that an increase in federal government transfers to individuals would return, on average, just 44 cents in federal tax receipts. Federal expenditures would increase by $1.21 (due to an even higher federal deficit that results in an even greater federal debt burden). The net impact then on the federal deficit would be an increase of 77 cents.

What we are suggesting is that this nation cannot afford to devote any less money on its national defenses. The current world economic situation and political climate clearly demand it, and while many cite our internal economic problems as justification for reduced defense spending, one thing is certain, a weak defense posture will most assuredly bring the eventual downfall of both weak and strong economies alike.

To conclude, I would like to point out that during our 63rd National Convention held last year in Honolulu, The American Legion adopted 21 resolutions concerning the national security of the United States. Copies of the full texts of each of these resolutions are appended to this statement, and the rationale for the Legion's support for each position is contained therein. We respectfully request that these resolutions be included in the record of these proceedings.

Mr. Chairman, I would like to thank you and members of this Subcommittee for your interest in the viewpoint of The American Legion on Fiscal Year 1983 Department of Defense appropriations.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 15

COMMITTEE: National Security

SUBJECT: ROTC AND JUNIOR ROTC PROGRAM FUNDING

WHEREAS, The American Legion has always supported the maintenance of an armed force sufficiently strong to defend the United States of America in time of national emergency; and

WHEREAS, the armed forces are suffering a severe shortage of non-commissioned and petty officers; and

WHEREAS, the Reserve Officers Training Corps and the Junior Reserve Officers Training Corps are a primary means of building a reserve pool of such potential personnel; and

WHEREAS, the number of ROTC and Junior ROTC programs in our colleges and nigh schools are limited by the amount of funds made available to support these programs; and

WHEREAS, the current Administration, through its party platform, advocated a strong national defense position; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that the Congress of the United States of America be urged to appropriate additional funds earmarked for ROTC and Junior ROTC programs in order to permit greater participation in these programs, thus increasing the reserve pool of trained personnel available to our armed forces.

Best Available Copy

63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 34

COMMITTEE: National Security

SUBJECT: OPPOSE LEGISLATION THAT WOULD REDUCE THE SALARIES OF MILITARY RETIREES

WHEREAS, a bill has been introduced into the U.S. House of Representatives that if passed would reduce the salaries of military retirees who have been employed by the U.S. Postal Service, and all government agencies, reduce them full military retirement pay; and

WHEREAS, this bill if passed would not allow a military retiree to reap the benefits of his full retirement pay and also earn the full government agency salary to which he would be entitled; and

WHEREAS, this bill if passed, would discriminate against military retirees who are employed by U. S. Government agencies in regard to their salaries and military retirement pay; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we oppose legislation which would reduce the salaries of military retirees employed by the Federal Government.

Best Available Copy

63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 52

COMMITTEE: National Security

SUBJECT: M-X MISSILE

WHEREAS, the land-based intercontinental ballistic missile (ICBM) is a cornerstone of our national strategy deterrent; and

WHEREAS, under the provisions of the interim SALT agreement, Soviet strategic forces are numerically superior to those of the United States and the Soviets deploy three times the missile throw-weight of comparable U.S. forces; and

WHEREAS, the Soviet Union has initiated new ICBM programs representing a massive effort in the form of new missiles, new bus-type dispensing systems, new Multiple Independent Targetable Re-entry Vehicle (MIRV) payloads, new guidance systems, new type silos, new launch techniques, and probably new warheads; and

WHEREAS, all available evidence suggests that targeting our ICBM silos continues to be high priority for the Soviet ICBM force; and

WHEREAS, in first strike capability by the Soviet Union would destroy the balance of strategic weapons between us; and

WHEREAS, a Secretary of Defense has stated that "reducing the vulnerability of the land-based ICBM force is the highest priority strategic initiative in the Department of Defense five-year program;" and

WHEREAS, the Air Force has undertaken programs to improve the accuracy yield and survivability of its Minutemen missiles including improved guidance and propulsion, Mark 12A to increase the warhead yield and hardening of the silos; and

WHEREAS, in the long run the M-X missile provides the most promising ICBM initiative for preserving essential equivalence; and

WHEREAS, survivability is a dominant concern the M-X ICBM modernization program and Defense Department has proposed various basing modes for the deployment of the M-X missile designed to enhance such survivability through locational uncertainty and mobility; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that the Administration and the Congress be urged to provide full support to Defense Department efforts to develop and deploy the M-X missile as expeditiously as possible to insure that the U.S. does not allow the Soviet Union to achieve a position of startegic superiority inimicable to our national security interests.

Best Available Copy

63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 58

COMMITTEE: National Security

SUBJECT: EDUCATION INCENTIVES FOR ACTIVE AND RESERVE FORCES

WHEREAS, Congress has terminated the education program under Chapter 34, Title 38, United States Code, for those persons enlisting in the Armed Forces of the United States on or after January 1, 1977; and

WHEREAS, Congress replaced this educational assistance program with a less generous experimental contributory program under Chapter 32, Title 38, which is known as the Post-Vietnam Era Veterans' Educational Assistance Program, or "VEAP," wherein the Federal Government matches on a two-to-one basis the deposits by the individual military member to VEAP up to $5,400; and

WHEREAS, the Secretary of Defense is authorized under this program to contribute additional unspecified amounts to an individual's VEAP account above that level as a recruiting or retention incantive; and

WHEREAS, the Department of Education now provides without service requirement, direct and guaranteed student loans with minimal interest rates which do not require repayment to commence until 9-12 months after graduation with complete repayment within 10 years; and

WHEREAS, all military services are experiencing great difficulty in recruiting and retaining military personnel and it is apparent that this problem will worsen in the 1980s as the number of 18-year old men decline to 1.7 million in the latter part of the decade, thus requiring the services to recruit 50% of all military age males who are physically and mentally qualified and who are not enrolled in college in order to meet the manpower needs of the services; and

WHEREAS, The American Legion believes that educational incentives play an important part in the recruitment and retention of personnel, and any attempt to restrict or delete such benefits as a cost-saving measure would adversely affect the military services ability to meet their accession and retention goals; and

WHEREAS, The American Legion believes that the declining numbers of 18-year old men will likely force resumption of the draft, and will encourage Congress to authorize an education incentive program as a readjustment benefit comparable to those that were provided under Public Law 89-358, the so-called "Cold War Veterans Readjustment Act;" now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge Congress to enact legislation which would authorize and fund an education incantive program to support retention and recruiting for Active and Reserve Forces, examples of which follow:

Best Available Copy

63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 86

COMMITTEE: National Security

SUBJECT: AIRLIFT CAPABILITY

WHEREAS, rapid reinforcement and world-wide mobility are major elements of the defense policy of the United States; and

WHEREAS, rapid mobility is essential to deterrence and it is imperative that the total mobilization airlift capability of the United States be maintained at a level of need; and

WHEREAS, current airlift deficiency is judged to be the greatest problem the U.S. Air Force faces in executing national military strategy; and

WHEREAS, the Secretary and Chief of Staff of the U.S. Air Force have testified that the procurement of a new airlift, the C-X, is the top priority of the Air Force in the mobility area and is essential to their needs; and

WHEREAS, the availability of the C-X is essential to rapid reinforcement and world-wide mobility of the armed forces of the United States; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the Congress of the United States to authorize funds required for the development of C-X aircraft or other comparable aircraft to insure that sufficient airlift capability will be available in future years to provide for rapid deployment of the armed forces of the United States if it becomes necessary to prevent infringement upon the vital interests of the United States anywhere in the world by any potential aggressor.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 87

COMMITTEE: National Security

SUBJECT: AIRBORNE WARNING AND CONTROL SYSTEM PROGRAMS

WHEREAS, future demands on our surveillance, warning and control capabilities in support of tactical air operations, particularly in the context of a European conflict, will be quite severe; and

WHEREAS, an AWACS system has been developed by the U.S. Air Force consisting of an advanced radar system mounted in a Boeing 707 E-3A aircraft with associated data processing and communication equipment; and

WHEREAS, the fundamental requirement for AWACS is driven by the rapidly growing ability of Soviet built aircraft to penetrate defenses at very low altitudes, screened from the view of ground radar systems; and

WHEREAS, flight demonstrations in Europe, as well as in the United States, have confirmed the ability of AWACS to inter-operate with the NATO air defense system and to provide unprecedented long-range airborne surveillance and warning that are vital for credible deterrence in peacetime and for the precise control of forces engaged in combat in the event of conflict; and

WHEREAS, the AWACS can be deployed to any region of the world, and immediately begin its mission of surveillance, warning or direction of air-to-air or air-to-surface combat operations and its inherent mobility, coupled with its long-range enabling it to perform its mission while remaining outside the threat area of enemy surface-to-air missiles or fighter aircraft; and

WHEREAS, the view provided decision makers by AWACS of the battle area and the collection and dissemination of on-time data such as position and track information on enemy aircraft and ships and the location and status of friendly ground troops will improve by order of magnitude the centralized, timely management of national assets; and

WHEREAS, complementing our national AWACS program is our planned participation in the proposed NATO AWACS program, the largest, single commonly funded project ever undertaken by NATO; and

WHEREAS, the AWACS will also be an essential element of our air defense system in the United States--a role which has acquired even greater significance in view of the new Soviet supersonic bomber, the Backfire, and the long-term reduction in size of our dedicated air defense interceptor force; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the Administration and the Congress to continue to support the U.S. Air Force and its efforts to procure a sufficient number of AWACS to meet national defense requirements, now and in the future.

Best Available Copy

63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 88

COMMITTEE: National Security

SUBJECT: STRATEGIC NUCLEAR FORCES

WHEREAS, over the past decade the United States has unilaterally restrained, deferred and cancelled programs that would have modernized our strategic nuclear forces, while the Soviet Union during the same period, has engaged in an unprecedented modernization and build-up of their strategic nuclear forces to a point that they have already surpassed the United States in some areas and their momentum will allow them to gain an advantage over the United States in most of the major statistical indicators of strategic force by the early 1980s; and

WHEREAS, because of lead times in modern weapons programs, this progressive shift in strategic balance will continue into the latter part of the 1980s when our modernization programs may be far enough along to restore full strategic parity; and

WHEREAS, we face a period of high risk and great uncertainty in the strategic balance throughout the coming decade, and only through resolutely pursuing modernization can we overcome 15 years of damaging neglect; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that the United States must not let the Strategic Arms Limitation Treaty (SALT II) ratification process divert our attention from the pace of strategic imbalance between the United States and the USSR; and, be it further

RESOLVED, that the United States must recognize that it is absolutely essential that we proceed with our submarine launched ballistic missile modernization program, the development and deployment of the MX missile, rapid deployment of the air launched cruise missile, and the development of a manned penetrating aircraft to succeed our aging B-52s in order to retain the flexibility and effectiveness of the strategic TRIAD.

Best Available Copy

63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 90

COMMITTEE: National Security

SUBJECT: MILITARY PAY

WHEREAS, adequate funds have not been made available to the Department of Defense for the purchase of sophisticated military hardware and for adequate compensation for members of the armed forces; and

WHEREAS, the all-volunteer force has not been successful due to the limited salaries paid to members of the armed forces; and

WHEREAS, many service personnel on active duty are participating in government subsidy programs, such as the food stamp program, in order to support their families; and

WHEREAS, the spiraling cost of living affects active duty personnel and their families equally as hard as others; and

WHEREAS, the nation must provide adequate compensation for active duty personnel in order to maintain a strong national defense; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the President of the United States and the Congress to provide adequate funds to the Department of Defense to increase compensation across the board for all active duty military personnel comparable to that paid like responsibility in civilian life.

Best Available Copy

63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 130

COMMITTEE: National Security

SUBJECT: U.S. ARMED FORCES MEDICAL CARE

WHEREAS, the Congress of the United States is responsible for a strong military defense; and

WHEREAS, Congress has the responsibility of providing members of the armed forces adequate living conditions, including medical services; and

WHEREAS, due to the curtailment of medical services at many active military installations, members of the armed forces cannot receive adequate medical care for himself and his family; and

WHEREAS, in a number of instances, medical services are contracted out at a greater expense and results in a lower quality of medical care to the troops; and

WHEREAS, the Department of Defense is considering a proposal to utilize an active military hospital to contract with private individuals or organizations to provide medical services to military troops and their families and retirees; and

WHEREAS, it would not be economically advantageous to the government and would certainly not be medically advantageous to the troops by having a private contractor operate a military hospital; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that it does go on record opposing the Department of Defense contracting with private organizations for medical services in a military hospital for members of the armed forces, their dependents, retirees and their dependents; and, be it further

RESOLVED, that Congress appropriate sufficient funds to provide military medical staff to adequately care for active members of the armed forces, their dependents, retirees and their dependents.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 133

COMMITTEE: National Security

SUBJECT: NATIONAL DEFENSE

WHEREAS, the citizens of the United States, and especially the war veterans, have supported the Congress in providing adequate funds for a strong military defense program; and

WHEREAS, during the past few years, sufficient funds have not been provided to maintain a first class military defense for the United States; and

WHEREAS, this nation cannot afford a second class defense program of materials and manpower; and

WHEREAS, we the people of a free democratic society, must continue to support a defense program-adequate to protect our freedom at all costs; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we request the Congress of the United States to provide adequate funds to cause the United States to have a first class defense program, including adequate hardware, a highly competent military force and an effective, efficient medical program for members of the armed forces and their families.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 161

COMMITTEE: National Security

SUBJECT: AERIAL REFUELING CAPABILITY/KC-135A TANKER AIRCRAFT

WHEREAS, various Air Force analyses show that additional aerial refueling capability is needed for optimum bomber penetration routes to support the Single Integrated Operational Plan (SIOP); and

WHEREAS, the requirement for tanker support will increase when the B-52Gs begin to carry Air Launched Cruise Missiles (ALCMs) externally; and

WHEREAS, this strategic planning problem is compounded by the requirement to refuel airlift and tactical aircraft for contingency operations; i.e. NATO, Mid-East; and

WHEREAS, present aerial refueling requirements for combined SIOP and contingency missions exceed the current capabilities to such an extent that during simultaneous operations these missions would be seriously degraded due to tanker deficiencies; and

WHEREAS, there are various operational and environmental problems with the KC-135A as currently engined, including limited thrust and fuel offload capabilities, excessive engine noise, chronic take-off thrust problems and gaseous emmissions; and

WHEREAS, recent evidence also shows water requirements would be a problem for those KC-135s involved with operations in scarce water areas such as the Mid-East; and

WHEREAS, re-engining the KC-135 with the CFM-56 engine will increase fuel offload capabilities at all refueling ranges, improve engine thrust, reduce basing constraints, and save 180,000 gallons of fuel per aircraft per year; and

WHEREAS, the re-engined KC-135 is six times quieter and substantially less polluting than the current KC-135A; and

WHEREAS, the Air Force objective is to provide an acceptable level of refueling support to strategic bombers, tactical fighters and long-range strategic transports across a range of possible scenarios and, in view of political realities and uncertainties, plans must be made to provide this refueling support without enroute basing; and

WHEREAS, our air refueling force must be able to respond to Administration concerns for a global response capability and the ability to support a protracted conflict; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the Administration and the Congress to support the Air Force program to re-engine its KC-135A tanker force with new, quieter, fuel efficient engines which will provide the capability in the years ahead to meet the refueling requirements of our strategic, tactical and airlift forces.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 163

COMMITTEE: National Security

SUBJECT: TACTICAL AIRCRAFT

WHEREAS, for the United States to be capable of protecting its world-wide interests we must be able to respond with military power when our interests, or those of our allies, are threatened and military force is deemed appropriate; and

WHEREAS, the erosion of our strategic nuclear superiority has reduced the deterrent value of the nuclear umbrella as well as increased the reliance upon and the contribution of conventional forces to our over-all deterrent strength; and

WHEREAS, the primary threat to our general purpose forces continues to be the Soviet Union/Warsaw Pact; and

WHEREAS, the continued rapid introduction and production by the Soviets of new, more modern and sophisticated tactical systems may soon have us facing a force that is not only vastly superior numerically, but one that is comparable qualitatively; and

WHEREAS, the most demanding conventional threat facing the United States is an armored attack on Western Europe by the Warsaw Pact; and

WHEREAS, NATO plans rely heavily on the flexibility of tactical air power to be able to shift combat power rapidly to threatened sectors; and

WHEREAS, our tactical Air Force must not only aid in blunting an attack along the forward line, but must also provide the capability to delay, disrupt and destroy enemy reinforcements and resupply; and

WHEREAS, since only a limited number of tactical aircraft may be deployed during early critical phases of a contingency, it is essential that they represent the best our country can field in order to signal our determined resolve to end the conflict on terms favorable to the United States; and

WHEREAS, the national requirement demands the flexibility and capabilities provided only by tactical fighters possessing superior performance, fire control systems, and armaments; and

WHEREAS, it is imperative, therefore, that the United States maximize the capabilities of the forces that are programmed and to build upon those forces to deter a present, ever-growing threat; now, therefore, be it

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 204

COMMITTEE: National Security

SUBJECT: MODERNIZATION OF THE U.S. AIR FORCE

WHEREAS, every major conflict since World War I has demonstrated the need for air superiority in order to conduct successful ground combat against an armed hostile force; and

WHEREAS, the Soviet Union now possesses the requisite number of aircraft to potentially deny air superiority to the U.S. in an armed conflict involving those two nations; and

WHEREAS, Soviet use of air power has allowed them to challenge U.S. influence in areas of the world most critical to the security of the United States; and

WHEREAS, our national survival and the security of our allies depend on the ability of the U.S. to maintain air superiority in order to foster the strategic airlift capability, the close air support capability, and the strategic combat capability of the U.S. Air Force; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the Administration and the Congress to act immediately to provide the necessary funding to modernize the U.S. Air Force in order to maintain the most up-to-date equipment available for close air support capability, strategic airlift and air superiority roles assigned as the Air Force mission.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 211

COMMITTEE: National Security

SUBJECT: NATIONAL DEFENSE

WHEREAS, The American Legion traditionally has favored strong military forces for the United States; and

WHEREAS, the position of the United States as a world power has been diminishing in recent years to the detriment of the regard in which citizens of the United States are held in the world as indicated, for example, by the shameful imprisonment for 444 days of 52 Americans by the government of Iran; and

WHEREAS, the Government of the United States is considering increased spending to repair and improve our defenses; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the Congress to pass legislation to strengthen America's ability to defend itself and to exert influence for peace, by improved weapons, training and sufficient pay and benefits to attract able, determined and patriotic men and women to the Armed Forces.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 307

COMMITTEE: National Security

SUBJECT: BEAM WEAPONS

WHEREAS, energy beam weapons are being tested by both the United States and the USSR; and

WHEREAS, some intelligence sources estimate that the USSR has spent from $10-25 billion in a development effort for 20 years; and

WHEREAS, the United States has spent only $1.5 billion on "directed energy" research in the past decade; and

WHEREAS, while U.S. weapon scientists have been restricted largely to researching and testing beam weapons, the Soviets have pushed ahead with the development of actual weapons; and

WHEREAS, intelligence officials are in general agreement that the Soviet Union has a laser system that is capable of destroying low orbiting American satellites; and

WHEREAS, an authoritative intelligence estimate reported to the Administration in May 1980 that evidence shows the USSR is working on a satellite-killing laser weapon which could be deployed in space by the mid-1980s; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge a greater effort by the United States in researching and developing beam weapons particularly in high energy laser (HEL) and the charged particle beam (PB); and, be it further

RESOLVED, that we urge vigorous research into the feasibility of satellite based anti-ballistic missile weapons.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 317

COMMITTEE: National Security

SUBJECT: UNITED STATES ARMED FORCES - QUALITY OF LIFE ASPECTS

WHEREAS, quality of life embraces a number of programs and individual projects designed to create an environment that recognizes that our Armed Forces are our most important asset. These include but are not limited to: military construction and operational funding programs for medical, housing, child care, education, religious, postal, recreational and other community facilities; and

WHEREAS, former Secretary of Defense Harold Brown stated in his Annual Report to Congress for Fiscal Year 1982, that the human dimension of military life - the job, living and recreational conditions - is a highly pertinent factor in the recruitment, retention, discipline, morale and readiness of military members; and

WHEREAS, General Frederick C. Kroesen, Commander-in-Chief, United States Army Europe and Seventh Army, has reported to Congress that certain elements of theSeventh Army stationed in Germany are living and working in facilities that are old, obsolete and "generally appalling;" and

WHEREAS, National Commander Michael J. Kogutek has visited Germany during 1981 and found generally that working and living conditions of American armed forces personnel stationed in Germany are "deplorable;" now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the Department of Defense investigate all quality of life aspects pertaining to our armed forces personnel stationed not only in Germany but in other parts of the world and that Congress authorize and fund sufficient monies to bring these quality of life items up to the dignity and quality which befits those personnel guarding our liberty and freedom.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 334

COMMITTEE: National Security

SUBJECT: MODERNIZE THE UNITED STATES NAVY

WHEREAS, the United States is a maritime nation with national security interests extending far beyond its boundries; and

WHEREAS, a strong, balanced naval force is essential to our forward strategy and the Navy and Marine Corps combine the offensive strength, mobility and endurance to operate virtually anywhere in the world where our interests, or those of our allies are located; and

WHEREAS, the ultimate U.S. maritime objective is to maintain a margin of maritime superiority over the Soviet Union sufficient to insure our ability to defeat the Soviet navy in a global war...and thus deter such a war; and

WHEREAS, the U.S. Navy today is deploying 20% above optimum rates; aircraft carriers are now exceeding optimum rotation rates by about 60%; and our ships and crews are now spending a greater percentage of time forward deployed than during the peak of activities in Vietnam; and

WHEREAS, during the past decade, the U.S. Navy fleet has declined from 847 ships and 8,000 aircraft to 530 ships and 5,400 aircraft, both active and reserve; and

WHEREAS, Secretary of the Navy John Lehman has stated that a benchmark of 600 ships is necessary given present world conditions, Soviet capabilities and the apparent dynamics of both; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we unequivocally support the benchmark of a 15-battle group Navy and strongly urge the Administration and Congress to move immediately, vigorously and resolutely toward this objective by authorizing and funding sufficient shipbuilding to meet the goals set forth by the Secretary of the Navy; and, be it further

RESOLVED, that we urge the President and the Congress to fund, build, equip and man a United States Navy that is clearly Number 1 in the world.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 421

COMMITTEE: National Security

SUBJECT: A-10 AIRCRAFT

WHEREAS, Soviet strategy in Europe calls for round-the-clock operations designed to cause the quick collapse of NATO forces; and

WHEREAS, the Soviets, in open writings, say they intend to seize the initiative early; and

WHEREAS, with NATO forces in defensive positions, we can expect the Soviets to launch a classic break through attack to establish their preferred form of combat --a war of movement; and

WHEREAS, by combining mobility and massive firepower, the Soviets intend to keep NATO forces off balance and confused; and

WHEREAS, the A-10 aircraft is especially suited to blunting such an attack and providing capabilities to delay and disrupt the Warsaw Pact forces; and

WHEREAS, the A-10 aircraft has a rapid firing gun which is very effective against hard mobile targets, such as tanks, and can carry a full range of conventional ordnance, and with its GAU-8 30mm cannon and Maverick air-to-surface missiles, the A-10 aircraft is the most lethal anti-armor weapon system available; and

WHEREAS, its reliability and maintainability have exceeded Air Force expectations; and squadrons assigned to USAFE have successfully operated from forward operating locations in the Federal Republic of Germany; and

WHEREAS, hundreds of thousands of operational flight hours and joint tests with the Army have demonstrated the outstanding capabilities of this aircraft to perform close air support; and

WHEREAS, the outstanding capabilities of this aircraft will further be enhanced through modification to a two-seat configuration which can serve as a combat-ready trainer, resulting in savings both in fuel and training costs of several millions of dollars per year; and

WHEREAS, the two-seat A-10 could also be equipped to accept avionics to perform the night/adverse weather ground attack missions, thus preserving the near term option for that mission; and

WHEREAS, the Air Force has already introduced new A-10s directly into Reserve forces to accelerate total force modernization; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the Administration and the Congress to support the A-10 program in both the single-seat and two-seat configurations, which will insure that American ground forces engaged in any future conflicts will have the best possible close air support that our technology and economy can provide.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 425

COMMITTEE: National Security

SUBJECT: TRIAD CONCEPT AND STEALTH AIRCRAFT

WHEREAS, The American Legion has consistently supported the TRIAD concept of strategic deterrence which is based upon the mutual support provided each of the three elements thereof, i.e., submarine launched ballistic missiles, intercontinental land based ballistic missiles, and penetrating strategic bombers, by the other elements; and

WHEREAS, for several years The American Legion has supported Air Force efforts to develop and deploy a new long-range combat aircraft (LRCA) to replace part of the B-52 force which is 20-30 years old and which will be incapable of penetrating the sophisticated defenses expected to be in place in the Soviet Union in future years; and

WHEREAS, Congress has directed the Department of Defense to vigorously pursue full scale engineering development of a long-range combat aircraft maximizing range, payload and the ability to perform the missions of a conventional bomber, cruise missile launch platform, and nuclear weapons delivery system in both the tactical and strategic role, with an initial operational capability of not later than 1987; and

WHEREAS, it has been reported that the Air Force has recommended that approximately 100 B-1B aircraft be procured to fulfill this requirement in the near-term, followed by a second bomber force of approximately 110 advanced technology bombers, the so-called Stealth aircraft, in the 1990s; and

WHEREAS, the strength of a LRCA lies in its inherent flexibility, being much more than a penetrating aircraft in the traditional single integrated operational plan role, possessing in addition through its on-board offensive systems, the capability of detecting, identifying, and attacking mobile targets as well as imprecisely located targets; and

WHEREAS, in the conventional arena there is a growing need for platforms with self-contained capabilities to provide rapid, flexible response; and

WHEREAS, the aircraft's range, payload and advanced avionics would also substantially enhance collateral support for the U.S. Navy in sea surveillance and surface attack; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we urge the Administration and Congress to act as expeditiously as possible to provide full support to the Air Force in its effort to develop and deploy modern long-range combat aircraft in sufficient numbers at an early date to as to insure the effectiveness of the bomber element of TRIAD; and, be it further

RESOLVED, that we also urge the Administration and Congress to act as expeditiously as possible to support the development and deployment of the Stealth aircraft to meet our defense requirements.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 428

COMMITTEE: National Security

SUBJECT: STRATEGIC NUCLEAR POLICY

WHEREAS, the United States has considered that nuclear war would essentially spell the destruction of civilization; a view which has led us to accept a steady erosion of our military strategic strength through successive enunciated policies which have only confirmed our diminishing relative strength; and

WHEREAS, the continued acceptance of such a policy will lead us to a position of inferior strategic strength, vis-a-vis the Soviet Union, by the mid-1980s; and

WHEREAS, a strategic policy which holds our own citizens hostage to nuclear exchange in order to deter aggression lacks credibility because of the Soviet's recently developed more accurate and more powerful MIRVed ICBMs, having first strike capability; and

WHEREAS, the Soviet Union strategists have long developed their military war machine from the concept of "winning" a nuclear war; and

WHEREAS, in developing their strategic nuclear offensive capability the Soviets have emphasized their Intercontinental Ballistic Missiles (ICBMs), and have been modernizing that force, stressing improved readiness, greater throw-weight, increase accuracy, better command and control; and

WHEREAS, they have also increased the number of re-entry vehicles, and provided hardened silos to improve survivability; and

WHEREAS, the development of new capabilities and rapid deployment of Anti-Ballistic Missiles (ABMs) including laser and other scientific break throughs, would enhance the survivability of our ICBMs, strategic bomber bases, defense communication sites, military facilities and the civilian populace; and

WHEREAS, at the present time, the U.S. has no effective defense against an attack by Soviet strategic aircraft; and

WHEREAS, the improvement of our manned and unmanned capability to intercept and destroy Soviet aircraft and cruise missiles would appreciably add to the deterrence of enemy attack; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we adopt a new strategic nuclear policy, which will lead the U.S. to develop the needed strength to destroy Soviet strategic offensive capabilities, rather than the destruction of soft targets; and, be it further

RESOLVED, that together with the development of these new capabilities that the United States develop the force structure necessary to defeat the Soviet Union, while minimizing destruction to the United States.

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63rd NATIONAL CONVENTION OF THE AMERICAN LEGION
HELD IN HONOLULU, HAWAII
SEPTEMBER 1-3, 1981

RESOLUTION 430

COMMITTEE: National Security

SUBJECT: NATIONAL DEFENSE

WHEREAS, the United States today is in greater danger than at any time since those early days of World War II after the surprise attack on Pearl Harbor; and

WHEREAS, over the past few years the over-all effectiveness of the United States armed forces has been eroding for various reasons, including the unsatisfactory recruitment of qualified applicants through the concept of a volunteer Army, the increased costs of modernization, the escalation of research and technological development costs and the inflationary rise of operations and maintenance costs; and

WHEREAS, during the Vietnam era research and development efforts were minimized in order to maintain and equip the forces in being for combat operations, depreciating and aging the operational vehicles and equipment that were the mainstay of our Navy, Army, Air Force and Marine Corps; and

WHEREAS, during this same period of time, the Soviet Union has been devoting massive resources out of its weak economy to building up its military might and has achieved military superiority in many areas; and

WHEREAS, the American people must recognize the threat to all peace loving, independent and open societies in the face of Soviet expansion and their use of surrogate forces in the spread of communism; and

WHEREAS, the United States is now faced with the choice of rapidly rebuilding our military forces so as to assure our survival as an independent, strong nation or we can accept the ultimate fate of the perilous course which we have been pursuing and prepare to live under the terms and conditions which will be dictated by the Soviet Union; and

WHEREAS, given such options there is no question but that the American people are prepared and willing to make such sacrifices as may be required of them to restore the military strength of the United States to a position where it cannot be challenged; and

WHEREAS, positive action has been taken in recent months to start the needed rebuilding of our military forces to the necessary levels of readiness with sufficient modern equipment; now, therefore, be it

RESOLVED, by The American Legion in National Convention assembled in Honolulu, Hawaii, September 1-3, 1981, that we fully support all such action by the Administration and the Congress to provide the personnel and equipment needed by our armed forces.

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[CLERK'S NOTE.—The following statement was submitted for the record by the National Association of Government Employees.]

THE LARGEST INDEPENDENT GOVERNMENT UNION IN THE COUNTRY

NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES
2139 WISCONSIN AVENUE, N.W., WASHINGTON, D.C. 20007

STATEMENT OF

CHARLES HICKEY, NATIONAL VICE PRESIDENT

NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES

TO THE

SUBCOMITTEE ON DEFENSE OF THE

HOUSE COMITTEE ON APPROPRIATIONS ON

FISCAL YEAR 1983 APPROPRIATIONS

The National Association of Government Employees (NAGE) is pleased to have this opportunity to present our views for the record before the House Defense Apprapriations Subcommittee, on the Fiscal Year 1983 Defense Appropriations.

NAGE would first like to bring the Subcommittee's attention to the continuing problems in the "conversion program" in the National Guard.

As you are aware NAGE represents thousands of dual status civilian technicians of the National Guard. Each year representatives of D.O.D., the National Guard Bureau and the Army and Air Force came before this Subcommittee and uniformly sing the praises of the civilian technician program. This praise is well deserved. The Civilian Technicians are the backbone of the National Guard. They provide the Guard with a skilled, loyal workforce in many high skill positions. At the same time these military officials are singing the praise of the civilian technicians, they have vigorously pursued a conversion program which jeopardizes the very existence of the civilian technician workforce.

Since the Congress was persuaded to allow a "test program" in 1976, the National Guard Bureau has embarked on a program of massive conversions. This has caused many technicians to leave the Guard for high paying jobs in private industry. Those civilian technicians who have stayed have seen their promotional opportunities vanish, causing morale to deteriorate.

One of the primary concerns of the Subcommittee in recomending a test program was that it would be less costly to use full time military than civilian technicians. This has not been the

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case. Civilian employees of the government have suffered years of pay caps which has left their salaries lagging far behind their private sector counterparts. At the same time full time military members have recieved much larger pay increases. Costs for fringe benefits are higher for military as compared with civilian technicians. Only military members recieve commissary quarters, and housing allowances. The cost of medical care is greater for military technicians. The contribution to the pension system is greater for military technicians than civilian technicians. Military personnel qualify for retirement after 20 years, whereas technicians must work thirty years and reach age 55. This experience has shown the overall cost of funding a full time military technician slot is greater than the cost for a civilian slot.

With the conversion program technician positions have been filled by new, lesser experienced personnel who in addition to costing the government more money provide less skilled workmanship. At a time when military handware is becoming increasingly complex and expensive the skill of the technicians reparing this equipment is crucial. To improve the length of service of this equipment we must have the most skilled technician workforce possible. This we assert, experience has shown to be isthe civilian technician workforce.

The conversion to full time military technicians will have an adverse impact on readiness. Civilian technicians train and mobilize with their units. Their long years of experience with the National Guard equip them admirably in their role as trainers to the National Guard. Their experience provides stability and continuity to the Guard. By comparison full time military technicians have much less experience. Their term of duty is likely to be only three or four years. Hence with full time military technicians the National Guard will lose the stability and continuity offered by the civilian technicians.

The civilian technician program has an important role to play in meeting our defense mobilization needs. While enlistments are currently booming, past experience indicates that when the economy recovers military branches will once again have difficulty reaching their enlistment quotas, particularly in high skill positions such as most technicians occupy. The civilian technician program has served as a vehicle to fill many of these high skill positions with productive craftsman. It must be allowed to continue, and flourish.

The conversion program has been a failure. Civilian technician positions have been filled by newer less experienced personnel who cost the government more money and provide less service. We urge this Subcommittee to take strong and decisive action to stop the conversion program.

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Another concern of NAGE which we would like to address to the Subcommittee is the shocking growth of wasteful inefficient contracting out of government services. The growth of contracting out has increased enormously in recent years while at the same time the size of the civilian workforce has decreased. Experience has shown that there is little or no control over the cost on activities of this contractor empire. Indeed the executive branch does not appear to even know the true extent of governments contracting out activities. Despite this shocking growth of expenditures there has been little effort to control waste fraud and abuse among federal contractors.

There are signs, however, that Congress is aware that contracting out is often an overly expensive and inefficient way of performing the government's mission. Recently the House included language in the 1983 authroization bill which places a moratorium on cost studies.

NAGE supports this moratorium. We urge this Subcommittee to do the same, and to support actions which will control the wasteful, costly and inefficient contracting out of government functions.

We again would like to thank the Subcommittee for this opportunity to present our views.

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[CLERK'S NOTE.—The following statement was submitted for the record by the Nuclear Arms Awareness Group.]

August 2, 1982

Nuclear Arms Awareness Group
701 S. 15th #2
Tacoma, WA 98405

Congress of the United States
House of Representatives
Committee on Appropriations
Subcommittee on Department of Defense Appropriations
Room H-144, Capitol Building
Washington, D.C. 20515

Statement to the Subcommittee on Defense

The following statement is a collection of diverse opinions about nuclear arms from some citizens in Tacoma, Washington. These opinions were written at my request for submission to the Subcommittee on Defense, all of us feeling they should be considered when making decisions about nuclear arms procurement.

The Nuclear Arms Awareness Group does not endorse any of these statements as its official postion. The N.A.A.G. seeks only to stimulate public discussion of nuclear weapon issues.

Thank you for your consideration of these opinions.

Sincerely,

Dan Blachly

Dan Blachly
Chairman

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Route 2, Box 2643-5
Spanaway, WA 98387
22 July 1982

Dan Blachly
Nuclear Arms Awareness Group
701 South 15th #2
Tacoma, WA 98405

Dear Dan,

Here is the position paper you requested. I have no objection to your using my name and address in any use you wish to make of it. I do, however, want to emphasize that these are my personal opinions and not an official statement of my office or position.

Yours truly
Richard D. Thurston

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804 South "J" Street, #20
Tacoma, Washington 98405
August 1, 1982

To: The Subcommittee on Department of Defense Appropriations
For: Reading - Hearing for Public Witnesses - August 11, 1982 - 9:30 A.M.
From: Jane Riese - Nuclear Arms Awareness Group - Tacoma, Washington

Honorable members of the Committee:

One of the more convincing arguements in favor of nuclear arms buildup asserts that we can only negotiate with the Soviet Union from a position of strength. As it is now, both the United States and the Soviet Union have the power to blow up the earth eighty times (Who determined that seventy-nine is not enough?). Psychologically, we would deter the Soviets from launching a first strike against the United States by assuring them of unacceptable retaliatory damage; that is, seeking peace through strength, and using that strategy as the key bargaining chip at the negotiating table.

In direct address to those who advocate building up our nuclear arms stockpile, I have paused to analyse the kind of strength we are using. Intellectual, philosophical, or even ethical strengths do not seem to figure in strategies of defense. What we are discussing is merely a unique sort of muscle power which goes beyond all normal conceptions of brute force. Ironically, democracy and communism would become obsolete under the effects of even a "limited" nuclear exchange which would leave some number of those awaiting death from radiation exposure or praying for it. Neither form of government would survive.

If we were to overhear any ordinary person on the street declare, "Do things my way or I'll blow you up," out of ditizen duty one or more of us would alert the police or a mental health team to take over before any harm was done. Yet a number of our military and government leaders actually consider using the option to blow the planet into oblivion in the face of international conflict - and attempt to persuade us, the taxpayers, to finance more powerful nuclear weapons and delivery systems to accomplish this - admonishing, "We must be strong."

The Soviets have demonstrated a certain caution to this point. If they should become so threatened by the presence of our nuclear arsenals with thousands of missiles aimed in their direction, our negotiating efforts for some unforeseen reason break down, and no freeze on our nuclear weapons is put into effect while we have the prime chance during a rare period of parity, to what degree and how quickly would we blame them for launching a first strike from outright fear? The logic of accelerating and proliferating our nuclear arms as a measure to reduce international tensions and aid peaceful negotiations somehow eludes me.

Should we, by some fluke of creative action, actually enact a bilateral, verifiable freeze, then how would we, twenty years from now, gaze in retrospect upon the early 1980's, a period in human history during which we based the arguements for nuclear arms acceleration on some wild assumption that our government has the ordained right to meddle in the very lifespan of civilization? I remember thinking twenty years ago that the advent of Adolf Hitler was the most shocking and demoralizing collective experience the human race would ever have to face...the worst of history was behind us. I was seventeen then, and what a dreamer. Now we face, on our own soil, our own government sanctioning to an even higher quantity and sophistication accelerated buildup of the nuclear incinerators of the 1980's. With an eye toward twenty years into the future, on the assumption we would be allowed this time span, I question how the decision-makers of the 1980's wish to be portrayed by the history writers of tomorrow.

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Peace among nations may come, but not by the efforts of those who seek raw power; not from those in power who would first protect immediate, tangeable self-interests; not from those who would seriously consider unleashing the power to incinerate the human race. The course of history can be changed by a mere decision, the likes of which you are asked to make today. The billions which could be used to feed, clothe and heal those trapped by circumstance in our own inflation-ridden country have instead been earmarked for use in national defense, the battle cry of which seems to be, "Peace trough strength!' Granted, the alternative to war is peace, that being the absence of invasion or infliction; peace being, furthermore, the presence of trust, comaraderie, and mutual assistance. Given that, I call for a reversal of decision, a dramatic change of direction, the first step toward which is comprehensive dismantling of all nuclear weapons and conventional use of delivery systems; that direction being, "Strength through peace."

Respectfully,

Jane Riese
Nuclear Arms Awareness Group

REQUEST RESPONSE
Thank you.

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NORTON CLAPP LAW CENTER

August 2, 1982

To: Whom it May Concern
Re: The Proposed Nuclear "Freeze"

Again we are hearing the shrill voices of radical disarmament ideologues, shouting that we must hurry up and disarm while we are still behind. It calls to mind many historic parallels. About 150 B.C., the Carthaginians, weary of a hundred years of war with Rome, listened to similar voices (some of whom undoubtedly were Roman agents) within Carthage. Trusting the Romans to keep their treaties, they laid down their arms. Then they realized their horrible mistake; they attempted to rearm themselves, but it was too little, too late. The Romans slaughtered all the Carthaginians in and after the final holocaust, and sowed their city with salt in 146 B.C. Similar historical parallels abound.

The way to preserve PEACE -- which every decent, civilized human being desires -- is through STRENGTH!

The Soviet Union has a number of obvious strategic objectives:

1. To inhibit U.S. responses to Soviet strategic programs.

2. To limit the number and the usefulness of U.S. strategic systems, thus making it easier to neutralize those U.S. systems.

3. To prevent any U.S. technological breakthrough from neutralizing their buildup.

4. To create a weak political and psychological climate in the U.S. obstructive of defensive actions in the world and defense expenditures at home.

To avoid public policy failures in the future, it is surely astute to study the failures of the past. Consider the post-World War II Soviet Union and the dealings of the United States with it. Thanks to the ailing President Roosevelt's dealings with Stalin at Yalta and elsewhere, Bulgaria, Romania, Hungary, Czeckoslovakia, Poland, Lithuania, Latvia, Estonia and Albania were behind the Iron Curtain and Yugoslavia was communized while half of Germany was absorbed by Poland or communized. All of this by 1948. At the same time vigorous attempts were made to subvert Greece, Turkey and Iran. All of this occurred while the United States held a monopoly of the atom bomb.

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When Stalin died in 1953 everything was supposed to improve. And indeed a State Treaty was negotiated with Austria in 1956 -- the Soviet Union withdrew from Vienna, Lower Austria and Burgenland while the Porkkalla District was returned to Finland. But when liberalization was tried in Hungary in 1956 the movement was brutally suppressed. The same thing happened in Czeckoslovakia in 1968 and in Poland in 1981.

Meanwhile, Soviet expansion was proceeding throughout the world. The brutal invasion of Afghanistan in late 1979 is only the last in a long series of subversions. Just during the Carter presidency the Soviets consolidated their hold in South Vietnam, Cambodia, Laos, Afghanistan, S. Yemen, Ethiopia, Mozambique, Angola, Equatorial Guinea, Guinea, Grenada, Cuba and Nicaragua. Other nations -- notably Syria, Libya and Algeria -- became practically -- but not quite -- Soviet satellites.

The United States should look to its defences! A "freeze" on nuclear weapons would serve the interests of the Soviet Union beautifully. It has 300 multiple-warhead SS-20 rockets pinpoint-targeted on Western Europe and is demanding a halt to Jimmy Carter's proposed deployment of compensating Pershing II and cruise missiles. This "freeze" should be laughed out of court as the Ted Kennedy-Leonid Brezhnev plan for permanent Soviet domination of the Eurasian land mass -- the strategic heartland of the world.

Andrei Gromyko at the UN conclave renounced, on behalf of the Soviet Union, the option of first use of nuclear weapons. The Soviet offer is a lie. Even now the Soviets are in violation of earlier arms agreements on chemical and biological weapons. Their land-based missile force is so large, destructive and accurate that it can have only one purpose: not deterrence, but a pre-emptive first strike against American missile forces, or at least blackmail -- the "Finlandization" of first Europe and then the United States.

Arms freezes, arms limitations, exhortations and incantations, are effective among nations that are honorable and truly want peace. But with the Soviet Union -- as earlier with Nazi Germany -- they merely serve to lull democracies into a false sense of security.

The United States should not "freeze" the development, production and deployment of nuclear and anti-nuclear armaments at this time or for the foreseeable future.

James E. Beaver

James E. Beaver
Professor of Law

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Draft Statement for Presentation Before
HOUSE DEFENSE APPROPRIATIONS SUBCOMMITTEE

Examination of our military programs fails to reveal a clear structural relation between these programs and genuine national security. The DOD mechanism is out of control because we have no cogent, concise statement of national security policy. Bureaucracy, like nature, abhors a vacuum and rushes in to fill the void, to its benefit. Bureaucratic expediency has become the main, but disguised, determinant of defense programs. In the internecine struggle for Department turf, national security is drowned in a swamp of deceptive rhetoric.

In the 50's and early 60's "massive retaliation" was used to enforce our "policy". This tactic was tenable when we had a monopoly on nuclear weapons. We tarnished our ideals and dedication to justice with a terrorist temporary expedient of Machivellian quality.

As monopoly intimidation faded to mutual deterrence and now merges into mutual terror, it is the people, rather than knowledgeable leaders, who cry out in fear and anger against this insane Race to Oblivion.

Military power brokers and their industrial sycophants stridently insist that still more warheads, still more accurate delivery systems are needed for "national defense". The reality is that nuclear weapons, as instruments of national security, are a colossal failure. Each technological advance in weaponry has decreased our security. Extrapolation of the Curve To Catastrophe predicts that, by 1990, our national security will be nil and it will be guaranteed by a militaristic society that is shrouded in secrecy, where dissent is equated to treason.

It is essential that all of us realize we have underwritten an infatuation with nuclear weapons as a technological fix in our quest for security and that this has simply not worked. Instead, we now face profound insecurity. Our children mirror the fears we try to deny. What can we say when they ask "Will I live to be old like grandma?" In our compact with this hideous genie sprung from uranium's nucleus, we have cast the shadow of death over the bright visions of tomorrow. The reality is a grim prospect of man dying by his own hand.

Thus, a basic tenet of our national security policy must be: The U.S.A. rejects nuclear weapons, in any form, as instruments of national security.

Acceptance of this policy destroys the foundation for a panoply of weapons' programs: MX, B-1, TRIDENT, Cruise missiles, Pershing II, and a host of ancillary projects. Acceptance of this policy calls for immediate, serious negotiations to eliminate ALL nuclear weapons, all over the world, as soon as possible.

This policy will not be universally popular. The Pentagon labyrinth will erupt in crys of anguish and hysteria. Weapons contractors, nurtured so well, so long, at the public trough, will be quick to proclaim their security is equivalent to national security. Hopefully the period of revelation, acceptance and transformation will not be long or unduly traumatic on the national psyche. We have formidable tasks ahead to absorb our energy.

Parallel reformation of foreign policy is mandatory, since military programs and foreign affairs are interwoven.

In the FY 1982 Military Posture Report, the first six pages outline raw material needs of imported resources to USA/NATO. Dependence on oil and seven essential minerals is stressed. U.S.A. imports 50% or more of 32 critical minerals. It is clearly implied that military power is required to assure reliable access to these resources. Proof of this premise is notably absent. We get chromium and platinum from U.S.S.R. They buy U.S. wheat. Cuban troops guard refineries in unfriendly African nations that sell oil products to U.S.A. However, our friends in Canada, Mexico, Indonesia supply oil at cartel rigged prices that costs a typical U.S. homeowner about $1,200 more per year than a free world market would--for just the fuel he buys directly.

A cartel price jump from $3/bbl to over $30/bbl since 1973 constitutes a massive assault on the economies of U.S., Europe and Japan. Military power is impotent to alleviate this assault. On the contrary, our military leaders advocate programs that will assure OPEC's right to continue this greedy gouging that devastates the third world even more than industrialized nations.

A skeptical citizen asks whether U.S. security wouldn't be better served by investing in a liquid fuel industry based on coal or natural gas rather than a military program to stabilize a political powder keg half way round the world that spits on the world's economic distress induced by a ten fold increase in the price of oil?

We learned from bitter experience in Viet Nam that overwhelming fire power cannot compensate for unpopular political power. Russia is confirming this lesson in Afghanistan. Regrettably many of our military and diplomatic managers seem oblivious to these costly lessons. Such slow learners should be flunked out.

From these lessons we fashion a cornerstone of policy: the right of people in foreign lands to choose their own form of political and economic systems must be respected. Our ideals of justice, fairness, respect for human rights must permeate the structure of our foreign commercial and diplomatic arrangements. We must emphasize peaceful relationships, not only because they are morally commendable, but because they also enhance our long term national security interest.

Acceptance of this policy in foreign relations negates the need for 400 overseas military bases. The U.S.A. role in the years ahead should be that of a gentle, persuasive, leader in the family of nations rather than Dodge City Marshall for the whole globe. We must reject weapons and military power projection as instruments of foreign policy.

Adherence to the policy concepts outlined here will lead away from the brink of thermonuclear holocaust. These policies set the stage for restoration of health to our economy and, in time, will enable us to live in peaceful harmony with all nations.

We must confirm our faith in democracy by reinstating its vigor in our own land. We must show courage of conviction that war is an obsolete way to resolve conflict. We must elevate and brighten the torch of liberty that symbolizes our nation. We must guide technology to enrich mankind rather than threaten its extinction.

H Gale Turner
May 10, 1982

NUCLEAR ARMS AND PEACE

by Richard D. Thurston

When nations have real or potential conflicts, the amount and nature of the weaponry possessed by these nations is far less important than the perception of respective strengths and, most crucial, the perception of strength of will by the opposing sides. This applies to nuclear weapons as well as other forms of military force. A potential aggressor is deterred from action, primarily by the belief that he will suffer unacceptable (to him) damage if he makes an aggressive move. Aggression occurs when one side perceives a weakness of the other side which leads the aggressor to believe that he can accomplish his purpose with no damage or, at worst, minor damage to himself.

The Falkland Islands campaign is a perfect illustration of this principle. Before the fighting began, the Argentine government was quite well aware of the number and nature of British forces which could be used against them. The war began because the Argentine leaders perceived that the British government would not use these forces to retake the Falklands. The loss of over a thousand lives and several valuable ships was due to a failure of perception, not a lack of information.

More directly related to weapons of mass destruction, the Italian government used poison gas in Ethiopia prior to World War II and the Japanese government used chemical agents in China prior to Pearl Harbor. In World War II, however, Italy did not use chemical weapons against the British, nor did the Japanese use chemical weapons against Americans, though both countries had considerable stores of chemical weapons. This is not a matter of morality or humanitarianism. Nazi Germany, one of the most immoral and inhumane governments to exist on this planet, allowed itself to be totally defeated and dismembered rather than use chemical weapons, in spite of the fact that Germany had a larger supply of more effective chemical weapons than all the Allied powers combined. The deterring factor was, quite simply, that the Nazis perceived that the Allies would be able to employ chemical weapons against Germany and thereby damage Germany to the extent that the initial advantages gained by Germany through the use of chemicals would be nullified by this retaliation.

The effective use of nuclear weapons for defensive purposes is to convince the potential enemy that we have enough weapons to damage him to an unacceptable level and, most important, that we have the will to use these weapons. There is a school of thought in Russian military circles that a nuclear war can be fought and won. Whether we, as individuals or as a government, believe this to be true or not is utterly irrelevent. It doesn't matter how many people, scientists, legislators or other government officials believe that nuclear war is not a realistic alternative to other forms of conflict. What is important is that there are people who do believe this and that these people could conceivably come to power in a country which is notorious for violating agreements and taking action without regard for principle or humanity.

Deployment of the SS-20 missile in Eastern Europe is a clear signal that the Soviet Union considers a limited nuclear war a possible course of action. Again, whether we believe this is reasonable or not does not matter in the slightest. As long as the Soviets believe that it is a possible course of action, we must take steps to convince them that a limited nuclear war in Europe would do them too much damage for any potential gains to be worthwhile.

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The threat of massive retaliation against the Soviet Union is no longer a credible deterrent. There is a real possibility that the Soviet Union could make a political judgement that the Western Allies would not use massive numbers of weapons against the Russian homeland to defend West Germany. Hitler made this judgement in 1939 when he invaded Poland in the belief that Britain and France would not make a full-scale effort to defend (or avenge) Poland.

The most effective way to convince the Soviet Union not to attempt a limited nuclear war in Europe (or elsewhere) is to demostrate the ability and will to fight a limited nuclear war. We do not have to show that we would win such a war, merely to show that a limited nuclear war would not be profitable to them, i.e. that their losses would be greater than their gains.

A similar situation applies to strategic weapons. We do not need to show that we could win a general nuclear war. Personally, I do not believe that a nuclear war can be "won" by either side. My own judgement, however, is not important. What is important is that the United States have both the means and the resolve to fight such a war.

In practical terms, the avoidance of nuclear war depends on the perception of any potential aggressor that he will not win such a war. This means adequate numbers of modern, effective weapons emplaced in such a way that neither side can have a reasonable expectation of avoiding unacceptable damage. If the number, condition or survivability of these weapons is in doubt, there is always a risk that a war-minded government may decide to take some risks to accomplish its objectives.

We must not allow ourselves to be blinded to political reality by our own reluctance to risk the massive destruction and death that would be the result of a major (or even "limited") nuclear war. As I have said before, what we believe would be the consequences of a nuclear war is totally meaningless. We must always consider first and foremost what the potential enemy believes the consequences of a war would be.

This means, in summary, that we must continue to maintain a large enough arsenal of modern effective weapons to ensure that any potential aggressor is forced to recognize the folly of nuclear war. We must continue research and development of weapons and defensive systems to avoid the perception of weakness. This must include strategic and tactical weapons.

Weapons do not start wars. Arms races do not start wars. The single most important factor in starting a war is the perception by one side that their side can win a war without having unacceptable damage inflicted on themselves.

If we have learned nothing else from history, we must learn that "peace" movements in "peaceloving" countries are an open invitation to mislead any potential aggressor into believing that he can prevail if he asserts his will. The rise of "peace" movements and the unilateral restraint on armaments by the Western Allies during the period 1920-1939 encouraged Hitler and the other Axis powers to believe that they could fight and win a major war. We must never make that mistake again.

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[CLERK'S NOTE.—The following statement was provided for the record by the Center of Concern—Focus: Toward a World That Is Human.]

CENTER OF CONCERN—
FOCUS: TOWARD A WORLD THAT IS HUMAN

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August 1, 1982

Hearings before the Subcommittee on Department of Defense Appropriations,
of the Committee on Appropriations, House of Representatives
Wednesday, August 11, 1982

"The Search for Security in the Nuclear Age"

Statement of Dr. Michael J. Schultheis, Staff Associate,
CENTER OF CONCERN, Washington, DC

Mr. Chairman and friends. My name is Michael J. Schultheis. I am a staff associate of the Center of Concern, an independent interdisciplinary team engaged in social analysis, religious reflection and public education around questions of social justice with particular stress on the international dimensions. We hold consultative status with the United Nations and have participated in many UN Conferences on international social policy--issues of population, food, women's rights, trade, development and unemployment. Most recently, we played an active role among the NGO community at the United Nations Second Special Session on Disarmament, New York, June 9 to July 10.

My own background is international economics and development. I have lived in Africa for seven of the past ten years, where I lectured in economics and worked with an economic research institute at the University of Dar es Salaam, Tanzania. In recent years I have participated in four UN Conferences; UNCTAD IV, Nairobi 1976; Desertification, Nairobi 1977; UNCTAD V, Manila 1979; and the recent UN Special Session on Economic Issues in 1980.

I appreciate this opportunity to submit a statement for the record.

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THE SEARCH FOR SECURITY IN THE NUCLEAR AGE

Michael J. Schultheis

A. INTRODUCTION

Across Western Europe and North America, citizen groups and local communities are entering the public debate about the escalation of the arms race and the threat of nuclear war. This debate, often leading to confrontation between citizens and political/military leaders, reflects a quickening perception of the dangers of nuclear warfare. It also reflects a pervasive anxiety that the expansion of armaments is rendering populations and nations less rather than more secure with the passing of each year. For many it calls into question the presuppositions on which the nation-state is founded and national security is based.

Participants in the arms race justify their actions on grounds of national security and the necessity of protecting legitimate national interests. They accept as a basic premise of international law and practice that a government has the right to attempt to ensure the safety and well-being of its citizens, including protection from external aggression. In the present world order, the nation-state dominates government; "security" is predicted on the geographical boundaries of the nation. For several reasons, however, "security" no longer can be either premised on the nation state or restricted to national boundaries. Security has become a reality that is global.

Three conditions of the contemporary world point to the inadequacy of attempts to limit "security" to the institution of the nation-state. The context of the human endeavor has shifted from the nation to the world as a result of new emergent systems of global interaction and interdependency. First, the planet is

physically unitary--the climate, the biosphere and the oceans are part of an integrated environmental system. Second, the world is enveloped in a single technological system, achieved through a complex communication and transport network. Third, the world economy, partly because of that network, is increasingly interdependent and integrated. Yet it is a world sharply divided between rich and poor. The vast majority live in poverty and hunger and seek to change that situation.

In spite of these interdependencies, the concept of security remains tied to the notion of national sovereignty and the nation-state. The focus on the nation-state and national institutions has prevented political institutions from developing in step with the transformation underway in other areas. As a consequence the world is extremely unstable politically. Almost every national government, whether democratic or authoritarian, is in grave difficulty. Many face a general crisis in which the political processes are virtually paralyzed. This political paralysis directly affects the ability of a government to provide for the safety and well-being, the security of its population. Paralysis leads to further polarization and to violence. As evidence: El Salvador, Ethiopia, Iran, Ireland, Italy, Lebanon, Poland, Brixton and Miami.

Governments and nations often respond instinctively to these crises of political paralysis and violence by the limited means they have available--they turn to the police and military in the search for security. The result is the rise of military governments, which use arms to suppress in the most brutal manner their own people. Groups excluded from the political processes resort to terrorist tactics to counter the repressive measures of governments in power. At the international level, the militarization of political discourse and the revival of the cold war have replaced the difficult search for alternatives.

With the advent of nuclear weapons the search for military security has taken on frightening and qualitatively difficult dimensions. The major powers

and their allies in the Warsaw Pact and NATO Alliances today possess a nuclear arsenal which is capable of destroying the world many times over. In addition they continue to develop more sophisticated conventional arms and compete to sell these weapons to nations which lack their own arms industries. As a result a militarized world each day becomes less able to ensure the safety of its population and threatens to destroy itself.

The fundamental hypothesis of this paper is that both the Soviet Union and the United States are pursuing strategies which are misconceived in terms of their own real security interests. Both tend to define security in a narrow militaristic sense and seek to achieve an absolute type of security. But this is impossible, for each escalation of arms is met with a response. The result is that they render their own citizens and all people less secure, not only because of the real possibility of nuclear warfare but also because they undermine the integrity and sustainability of the underlying biological, technological and economic systems.

This paper focuses on the United States because of its dominant position in the world economy; the general argument applies equally to the Soviet Union. The paper is developed in two sections. Section B examines briefly two complex interdependencies which are critical to world security today. The first is the unitary ecological system; the second is the political diversity that has emerged on the world scene.

Section C analyzes the growing interdependency and integration of the world economy over the past three decades. It traces the impact on the developing countries of the present economic crisis in the United States and other developed market economies. A final section concludes that the only alternative to the present destructive strategy of militarization of global politics is the creative formation of institutions of global cooperation.

B. AN INTERDEPENDENT GLOBAL SYSTEM

1. The Planet as a Unitary Ecological System

The convergence of a number of factors in recent years has led to an awareness that the ecological systems of the world are integrated and that modern technology can cause irremedial and permanent damage to the planet's ability to sustain life. Further there is a recognition that the oceans, the atmosphere and outer space are the common heritage of all peoples, and that the security and well-being of all peoples, present and future, require a careful husbandry and respect for the environment.

The rapid expansion of the industrial economies and the growth of the world's population since World War Two have placed increased pressure on the natural resource base. The result, supply shortages of materials for factories and land for production of food. In addition, many industries produce by-products that either alone or in combination pollute the rivers and the atmosphere. Some of these wastes are toxic and kill rivers and lakes and all forms of life; some are non-degradable and have long term effects on the environment. For example, combustion of fossil fuels leads to the concentration of carbon dioxide in the atmosphere, which causes long term changes in the weather patterns. Similarly some pollutants combine with water vapor in the atmosphere to form acid rain, which poisons lakes, forests, soils and crops.

Intensive agriculture practices, sometimes called "mining the soil," have caused serious deterioration of agricultural lands and in some areas have contributed to the expansion of the world's deserts in a process known as desertification. By the end of the century it is estimated that 40 percent of the forests in the southern hemisphere will have been razed. The impact on world climatic patterns may be disastrous for settled agriculture, as rainfall and

temperature patterns are modified.

These harmful effects cross national boundaries and can be addressed only by regional and international cooperations. Recognition of the rapid deterioration of the environment and of the vital interest that all peoples and nations have a vital interest in the protection of the environment prompted the United Nations to convene an international conference on the environment in 1972 in Stockholm. At that time fewer than ten nations had ministries or departments concerned with environmental programs. Today 106 nations do. The United Nations has convened conferences on other aspects of environmental problems: water (Buenos Aires, 1976); desertification (Nairobi, 1977); new and renewable sources of energy (Nairobi, 1981). A common theme throughout was that environmental issues transcend nation borders and that international cooperation and management are essential to protect the shared interests of all peoples in these basic resources and life-support systems.

Yet the environment remains under pressure, in many instances because of the unwillingness of national governments to consent to regulations that would limit the environmentally harmful effects of multinational enterprises. In other instances, there are insufficient funds available. Thus the United States, which has provided a third of the voluntary funds for the operations of the UN Environment Program over the period 1973 to 1981, has recently indicated that it will cut back on its future commitment. The expansion of deserts, the clearing and burning of forests, the lack of progress in increasing the availability of clean drinking water and the long term damage to the environment through unmonitored and unchecked pollution pose a real danger to the sustainability of the world's environment and threaten the well-being and security of the people of every nation.

3. <u>The Politics of Non-Participation</u>

a. The Emergence of the Non-aligned countries, 1947-1973

A second factor that has significantly altered the world order since World War II is the increase in the number of political actors and their desire to be recognized as full participants in the international area. In 1946 the United Nations had 55 member countries; today there are more than 150. India in 1947 was the first country to achieve independence in the post war period. A succession of countries became independent states during the 1950s and 1960s.

Almost as soon as they became independent, the developing countries, sometimes referred to as the Third World or the South, began to ally themselves together as the group of non-aligned nations, with allegiance to neither the West (the democratic market economies, sometimes called the First World or the North) nor the East (the centrally planned economies, sometimes called the Second World). As heterogeneous as these countries were and are, they shared several factors in common: 1) a similar colonial experience and a strong sense of nationalism; 2) poverty and the desire to modernize their economies; and 3) a perception that they faced an international system which was established to meet the needs of the rich countries and which is hostile to their own development objectives.

As the new nations moved to consolidate their political independence, they also sought to hasten their economic development. For this they turned to the West for financial assistance. The western countries responded perhaps less from a sense of altruism and the desire to assist in the battle against poverty, ignorance and disease than from the desire to check the advance of Soviet influence in the Third World. Thus President Kennedy proposed to the UN General Assembly in 1961 that the 1960s be called the first development decade and that developed nations contribute financially to the developing countries to assist

them in meeting the economic growth targets of five percent per annum.

In the late 1950s and early 1960s the developing countries began to urge changes in the world market economy and in the institutions which controlled the relationships between them and the industrialized nations. They focused their demands through the United Nations, and in 1964 the first UN Conference on Trade and Development (UNCTAD I) was convened in New Delhi. The developing countries, then numbering 77 and termed the Group of 77 (G-77), urged better terms of trade for their processed exports, stable and remunerative prices for primary products, and increased development assistance. The developed nations, however, were unwilling to go beyond token concessions, either at New Delhi, UNCTAD II in 1968 (Geneva) or UNCTAD III in 1972 (Santiago). They dismissed the G-77 demands on the grounds that they were ideological and political rather than economic.

b. OPEC and Southern Solidarity

A number of political and economic events in the late 1960s and early 1970s--rising prices, shortages of raw material supplies and potentially irreversible environmental damage--raised questions about both the viability of the global system and its basic premises. But changes in the fundamental institutions rest less on economic logic than on political power and control. In 1973 and 1974 the relative strength of the North and the South shifted dramatically. The oil producing countries in the Middle East embargoed the shipment of petroleum to the West because of western support for Israel in the October war. They followed this action by organizing a producers' cartel (OPEC) and raising the prices of crude oil. The non-oil countries of the South united to support OPEC, despite the impact of higher oil prices on their own economies.

With this new bargaining tool, the South began to demand structural changes in the international economy. The United Nations, at the request of Algeria,

convened in special session in April 1974 and again in September 1975 to consider the state of the world economy. These sixth and seventh special sessions set forth the basic elements of reforms in a world market economy to the benefit of the developing countries. Changes were proposed in three broad areas: 1) world production, i.e., the assisted transfer of industrial production from the North to the South; 2) world markets, i.e., stable and remunerative prices for primary products by means of agreements for several commodities and a common funding mechanism, revision of the International Monetary Fund (IMF) and the transfer of financial resources to promote development; and 3) world decision making, i.e., the creation of institutional arrangements which would enable developing nations to participate more fully in the decisions of international institutions. The notion of structural change--based on justice, equality and mutual benefit--has been fundamental to the South's movement toward a New International Economic Order (NIEO).

c. The Response of The North

The United States, as the dominant nation in the North, has not welcomed the demands of the South for structural changes in the world economic institutions because it largely controls them. Many of the other northern countries, however, have responded positively and are prepared to negotiate the implementation of the major elements in part because of closer ties to and greater dependence on the G-77. The US when it faced total isolation by its continued opposition, shifted its tactics to apparent accommodation. Generally this involved entering reservations on a particular issue without entirely blocking the G-77 proposals.

Since the seventh special session, other UN conferences have been convened to address the implementation of different aspects of a NIEO. These have included UNCTAD IV (1976, Nairobi), UNCTAD V (1979, Manila) and the UN Conference

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on Science and Technology for Development (UNCSTAD; 1979, Vienna).

Although negotiations have been completed on a few elements, such as the Common Fund within UNCTAD in 1979, progress has been painfully slow. This lack of progress and the continued deterioration of the world economy prompted the UN General Assembly to convene a special session on global negotiations on the world economy in the late summer of 1980.

The eleventh special session terminated without agreement. The United States, supported by England and West Germany, rejected a compromise document on which the other 148 member nations of the UN agreed. The point at issue centered on the decision making role in global negotiations of the United Nations General Assembly and the UN specialized agencies. The US insisted that the specialized agencies, especially the International Monetary Fund and the World Bank, retain their autonomous decision-making authority. The G-77 urged that their decisions be subject to review by the General Assembly or a comparable committee of the whole within the UN system.

Since the Special Session, several initiatives, both in and out of the UN System, have sought to revive the movement toward global negotiations. For example at the Ottawa summit meeting of the heads of state of seven major industrialized powers in July, 1981, President Reagan reluctantly agreed to participate at the Cancun Summit meeting of 8 industrialized and 14 developing countries. Cancun made no progress, but the US delegation claimed a "strategic victory," not because it had advanced North-South cooperation but because it had "cut its loses." The US has taken the same attitude to initiatives within the UN System. At the recent Versailles summit meeting, the US agreed in principle to participate in global negotiations. Yet constructive participation in global negotiations on the world economy is unlikely to occur so long as the US defines security in militaristic and national terms.

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C. AN INTERDEPENDENT BUT AILING WORLD ECONOMY

1. Trade and Interdependency

Another change in the objective conditions of the contemporary world order is the emergence of an interdependent and integrated global economy. Yet there is gross disparity in the relations among the participants, in terms of both economic and political power and relative standards of living. This disparity is a basic source of instability and conflict within and among countries.

The scale of international trade is perhaps the best measure of this economic interdependency among nations and the integration of the world economy. The composition of imports and exports in the trade flows in turn indicates much about the underlying structural relationships of a national economy. In 1980 about 23 percent of total world output entered international trade. Although economic theory has long analyzed the gains from trade among nations, what is striking is the rapid growth of international trade over the past three decades. Merchandise exports rose on average more than 7 percent annually during the 1960s and 1970s, a rate that was more than double the growth in resl output.

The growing importance of trade to a national economy is nowhere more evident than in the United States. Long considered a nearly self-reliant economy because of its abundant natural resources and extensive domestic market, the US increased its exports from approximately five percent of GNP in 1960 to 13 percent in 1980. Today exports account for about one of every eight jobs in manufacturing and one of three acres in agricultural production.

Industrialized nations are the most important trading partners, but the United States is rapidly expanding its trade with developing countries. During the 1970s US exports to developing countries increased at an annual rate of 21 percent, compared with 17 percent to industrialized countries. Today develop-

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ing countries account for about 40 percent of all US exports, i.e., one of every 20 jobs in manufacturing and one of every five acres of farm land. In turn in 1980 the United States relied on developing countries for about 48 percent of its imports, up from 26 percent in 1970. Although fuel imports were an important part of this increase, increasing from $2 billion in 1970 to $67 billion in 1979, non-oil imports rose during the 1970s at an annual rate of more than 22 percent.

Developing countries supply some 80 percent of the US demand for 12 strategic mineral, including 90 percent of its petroleum imports. Most other industrial nations are even more dependent on developing countries for raw materials. In spite of this growing mutual dependency, however, the trading relationships between the developed and developing countries are characterized by a lack of proportionality. This fact is evident from an analysis of the structure of the economies and the nature of the trade flows.

2. Trade and Dependency

Economic production in developing countries is largely structured to the needs of the developed countries. In part this reflects historical colonial relationships; in part, resource endowment and comparative advantage. But other factors have also been important. After attaining political independence, many developing countries pursued national development strategies which were oriented to the world market rather than to their own domestic needs. As a result of this policy, encouraged by international lending institutions, donor countries and multinational corporations, the level of economic activity in the developed market economies is the single most important factor in determining the export earnings and often the national income of developing countries. This situation confronts more than 120 nations and three-fourths of the world's population. It makes a mockery of an integrated and mutually dependent world economy.

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Primary products provide 50 to 60 percent of the gross national product in many third world countries. In 1978 developed countries derived an estimate 57 percent of all export earnings from primary commodities (81 percent if oil is included). Their total exports to industrialized countries amounted to $216 billion in 1978 and total imports, $200 billion. But their merchandise exports to developed market economies amounted to only $32 billion; merchandise imports were $125 billion.

During the 1960s and 1970s the industrialized market countries experienced real growth rates of about 4.5 percent annually. In 1980 this had declined to 1.3 percent; in 1981 to 1.2 percent. Estimates of real growth in 1982 suggest that it may not exceed 0.25 percent. The United States is expected to have a negative growth rate in 1982 of about one percent. Business failures are the highest on record. The number of unemployed workers in the developed countries may reach 30 million by the end of 1982, an increase of nearly 100 percent since 1978.

This economic crisis in the industrialized market adversely affects the economies of the developing nations in several ways. It inhibits the expansion of export volume and depresses commodity prices. It cuts into the purchasing power of export earnings and forces the diversion of a rising share of those earnings into interest payments on external debt.

It also squeezes the amounts of resources available for consumption and investment, and forces a cut back on the pace of spending for development. This reinforces the negative impact of international recession on the total demand for domestic output. Many nations have introduced restrictive fiscal and monetary policies, often at the insistance of the International Monetary Fund, to curb inflation, and to dampen import demands and external deficits. The result is a stringent contraction of their domestic economies.

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3. Debt and Dependency

From 1970 to 1980, the outstanding medium and long-term debt held by non-oil developing countries increased from $68 billion to $440 billion. As a proportion of total export earnings, developing country debt increased from 16 percent in 1970 to 19 percent in 1979. With a decline in export earnings, this proportion has increased further, though a more revealing indicator is the cash flow required to service the debt. In 1980 interest payments and profit remittances by developing countries amounted to $34 billion; in 1981, this had increased to $44 billion. The actual cost of servicing this debt with interest rates at near record levels, may be nearly three times this figure.

The debt is increasingly in the hands of private financial institutions--43 percent in 1980 as compared to 12 percent in 1970. In the United States 24 banks account for 83 percent of all lending to developing countries, an increase of 25 to 30 percent over 1979. This debt represents about 10 percent of these banks total assets and 180 percent of their capital funds. While this fact increases the importance of the economic health of the developing countries to the private financial sector in the United States, it also renders them vulnerable to shifts in monetary policies in the US--an increase of one percent in the interest rate increases by about $1 billion the costs to developing countries of financing the debt.

4. A Structural Crisis and International Insecurity

The economic policies of the United States have a greater impact on the world economy than the policies of other countries because of the larger size of the US economy and because its currency is used for international reserves. For this reason leaders of the other industrialized nations continue to press the

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Reagan Administration to adopt policies which will reduce its interest rates and its budget deficits. These leaders as well as those of many developing countries urge increased international cooperation in addressing common economic problems.

In one school of economic thought the key to economic recovery lies in lower interest rates; and interest rates will decline as the rate of inflation falls. In recent weeks, however, inflation in the major industrial economies has fallen, but interest rates remain in their teens, some five or more points above inflation rates. In the United States, the latest consumer price index (quarterly) denotes an annual increase of 3.5 percent for 1982; interest rates on three-month deposits remain in the vicinity of 14 percent.

Two reasons are cited for the failure of interest rates to decline. First, the world is a threatening place and lending is risky. For example, if Argentina were to default on its debt as a consequence of the Falklands war, 25 percent of the capital and reserves of the nine largest U.S. banks would be wiped out. This could have a domino effect among other Third World borrowing countries. Add the likelihood of the failure of a number of financial institutions and large corporations.

The second reason is the contradictory monetary and fiscal policies which the Reagan Administration is following. The Federal Reserve wants to limit growth of the money supply to low single figures. The Administration projects a budget deficit in excess of $120 billion, the largest ever. Ultimately this reduces to the question of how the US intends to finance the Reagan military build-up, either through borrowing or through taxation. President Johnson attempted to finance the Vietnam War through borrowing, in the end budget deficits were monetized, i.e., monetary growth accelerated, inflation took off and the dollar collapsed. Eventually Mr. Reagan is likely to follow the same policies. But interest rates will not decline and economic recovery will not begin until this uncertainty is removed, either through budget cuts or tax

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increases or a combination of both.

Revival of the international economy and the fortunes of many developing countries depend directly on the policies and the recovery of the larger industrialized nations, and in particular the United States. The current economic crisis can be attributed to two causes: 1) the channeling of resources to military expenditures--military expenditure, including interest on past wars and the costs of veterans, amounts to 56 percent of federal funds (trust funds excluded); and 2) the financing of the present military build-up through budget deficits, with the consequent uncertainty in financial and money markets as expressed through the high interest rates.

Another aspect of the crisis is relevant here. It is indeed questionable if a revival of the international economy can occur with the piece-meal and uncoordinated monetary and fiscal policies which the major developed countries are following. Policy makers in the US view the crisis as cyclical and related to the downturn of the business cycle. The internal pressures which many developing countries are experiencing as the result of the crisis tend to be interpreted by the Reagan Administration as externally promoted threats to the established order. The response in many instances is a military one, which further aggravates an already critical situation.

The far reaching changes in the international economy suggest, however, that the crisis is far deeper and that it is structural in nature. The United States once again plays the central role and is the dominant actor. But for the United States to impose the pax Americana of the 1950s requires a remilitarization of the international area, a policy which the Reagan Administration has charted and is attempting to implement. Such a policy is doomed to fail because of the significantly different international context. Moreover it undermines the many ventures of regional and global cooperation that are underway and that are essential to international security.

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D. CONCLUSION

This role of the United States in the North-South dialogue relates directly to questions of national security. The present interdependency among nations requires international institutions which can coordinate global policies, while preserving the many different national interests. Failure to recognize this and to move in concert to address these structural issues is a fundamental cause of the continuing malaise in the world economy. Across the Third World as well as in many developed economies, there is a gradual fading of hope and deepening of frustration. And therein lies a basic threat to the security of the world today.

Both the United States and the Soviet Union resist the emergence of more effective and open global economic institutions. They do so for reasons of self-interest, which they often justify on ideological grounds. Both East and West oppose institutions that might create conditions of global cooperation between North and South and East and West. They claim to do so for reasons of "national security," even as they subvert the possibilities of world security.

The unitary biological system of the planet requires collaborative management across the national lines. Sophisticated communication networks require international ground rules. An increasingly interdependent world economy requires institutions of global cooperation. The breakdown in any one of these systems threatens the well being and security of all.

Reasonable political stability and a basic sense of security are essential to the maintenance and preservation of the increasingly complex and interdependent world systems. But the search for absolute security which characterizes the present escalation of the arms race has shifted the focus away from the need to create political and economic institutions which are capable of responding to the new demands. This has happened in two ways: 1) limited

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resources are directed to military armaments and away from the essential investment in environmental protection and resource conservation measures and in production activities geared to the satisfaction of basic needs; and 2) political paralysis and the increase of violence are attributed to external aggression and met with a military response, whereas the causes generally are the result of the failure of political and economic institutions to address the needs of the people.

The arms race and poverty reinforce each other and will only be resolved together. The solution lies in translating the interdependence that exists among all peoples and nations into solidarity. Therein is the basis of real security, based not on national boundaries and military power, but on the construction of institutions which make possible the development of a genuinely interd ependent world order.

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[CLERK'S NOTE.—The following statement was provided for the record by the Florida National Impact Network.]

STATEMENT BEFORE THE HOUSE DEFENSE APPROPRIATIONS SUBCOMMITTEE

ON MILITARY SPENDING FOR FISCAL YEAR 1983

FLORIDA-NATIONAL IMPACT NETWORK
VOLUSIA COUNTY AREA MEMBERS
(C.D. 4, REP. BILL CHAPPELL)

We are a group of concerned citizens and church persons. Active in the democratic processes of our nation as well as the state and local scene, we bring to those processes convictions about justice, the welfare and future of humanity as informed by our Judeo-Christian faith.

We have accumulated, read and absorbed information from all the forms of media of this day, prepared by the most responsible persons and research agencies with respect to the Arms Race, the possibility of out-break of conflict and the certain use of nuclear weapons.

Dr. Bernard Lown, Professor of Cardiology, Harvard School of Public Health and President of the International Physicians for the Prevention of Nuclear War, has summed it up in these words:

> "The world is moving inexorably toward the use of nuclear weapons. The atomic age and space flights demonstrate the awesome power of science and technology. These developments have also brought humankind to a bifurcation--one road of unlimited opportunity for improving the quality of life, the other of unmitigated misery, devastation, and death. The road we follow will determine whether modern society has a future." (1)

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In this year of 1982 we are not concerned about outbreaks of conflicts such as those of World War I or II, nor even of Korea and Vietnam. The outbreak this time, to which we are on an inexorable course, will be nothing like these wars of memory. It will be the converse of the "Big Bang" that many scientists affirm launched this universe into the evolutionary processes.

The International Physicians have said that "The genocidal nature of nuclear weapons has rendered nuclear war obsolete as a viable means for resolving conflict."(2) I expect you know this, too. But it seems that so many of the leaders of this nation--the government, the business and economic world, the industrial leaders, will not believe. Fortunately, the physicians of this land and the world are now lifting up the dangers and the consequences with the authority of their competency as physicians to do so. But there remains a sense of invincibility against these destructive powers. Somehow we try to believe in a winnable nuclear war effort. We still think in patterns of previous wars.

Consider this equivalency illustration of the nature and destructive power of the hydrogen bomb of one megaton size. One megaton, by today's design is small, since the Titan II is armed with a 9 megaton nuclear war-head. This equivalency was spread in the Congressional Record, March 30, 1982 by Congressman Paul Simon. One megaton equals one million tons of TNT. Were you to transport this million tons at one time, on one train, you would need 300 miles of freight cars--not 300 cars, but 300 miles of freight cars!!!

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How insensitive can we be? Or, should we ask, how dumb can we be? Why don't we listen to that curmudgeon of technological competence, Admiral Hyman G. Rickover, in his farewell testimony to the Joint Economic Committee of Congress:

"The lesson of history is: When a war starts. . . a serious war. . . we will use nuclear energy in some form. . . the most important thing we could do is start in having an international meeting where we first outlaw nuclear weapons to start with, then we outlaw nuclear reactors, too."(3)

The Physcians for Social Responsibility and also the International Physicians for the Prevention of Nuclear War have laid out before us all in some detail the horrors and the impossibility of there being any medical response to assist the hundreds of thousands that would be seriously injured and maimed following the detonation of a single megaton bomb. Eighty percent of all medical facilities and personnel would be wiped out and not available.

Why won't we listen? Why won't we hear?

Something else is happening. In the name of national security, and the fear we have allowed to fester about the Soviet Union, we are permitting an insidious eating away of some of our liberties. There is a contradictatory and self-defeating trend that in the name of national security we limit and even cut out freedoms which we proclaim in our political and patriotic rhetoric.

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James Madison warned us back in 1798 with this wisdom: "Perhaps it is a universal truth that the loss of liberty at home is to be charged to provisions against danger--real or pretended--from abroad."

Morton H. Halperin, presently the Director of the Center for National Security Studies, who served on the staff of the National Security Council under the Nixon Administration, has reported in some detail the ominous rise of militarism and the decline of liberty that is already with us. In the October 1981 issue of Christianity and Crisis in an article by the same title, he says:

> "Now there are signs of a great broadening of the effort to interfere with civil liberties as part of the program of militarism. One of the most insidious and dangerous elements of this effort is the growing tendency, reminiscent again of the 1950's, to label criticism and opposition to U.S. policy unpatriotic or subversive, the product of 'discrimination' spread by the KGB or Cuban Intelligence."

Before addressing the consequences of a heavy military budget to the economy and the lower income or no-income portion of our society, look again at Admiral Rickover's farewell testimony to Congress and his findings in the business and industrial world with whom he worked and fought for competence and quality in the technological resources he purchased for our nation's naval armaments:

> "A preoccupation with the so-called bottom line of profit and loss statement, coupled with a lust for expansion, is creating an environment in which few businessmen honor traditional values; where responsibility is increasingly disassociated from the exercise of power; where skill in financial manipulation is valued more than actual knowledge and experience in the business; where attention and effort is directed mostly to short-term considerations, regardless of longer-range consequences.

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> Political and economic power is increasingly being concentrated among a few large corporations and their officers--power they can apply against society, government and individuals. Through their control of vast resources, these large corporations have become, in effect, another branch of government. They often exercise the power of government, but without the checks and balances inherent in our democratic system." (4)

The April 1982 issue of the German weekly, DER STERN, calls for a halt to underground nuclear weapons testing with a freeze on new nuclear weapons plus the dismantling of existing ones. The suggestion is for the $1.5 trillion President Reagan has proposed for weapons over the next five years to be put into social programs, since the ills of the world are economic, and hunger and misery could be alleviated if the money were not wasted for warfare.

If people in other countries can see this logic,surely there is no doubt in your minds that when military spending is increased it follows that public and private funds are diverted from investment in the civilian economy.

In an era of increasing foreign competition for U.S. industry which desperately needs revitalizing, more and more of the nation's resources are being used for military production. Countries like West Germany and Japan invest far less on defense and capture the market on cars, electronics and other commercial products, while the present administration shifts research funds, engineers, scientists, scarce raw materials, factories and financing away from pursuit of human needs and non-military production.

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Military production does not create jobs for the inexperienced workers or workers with low skills. Besides creating few unskilled jobs, weapons production creates fewer total jobs. Bo deGrasse of the Council on Economic Priorities says that one billion 1980 dollars spent on nuclear missiles produces 38,000 jobs while the same amount spent on mass transit produces 55,000 jobs.

Anyone truly concerned with the economic health of our country cannot justify the implementation of a budget with such inherent hazards to the economy.

The most serious and tragic consequences of the military budget will be to those who lose social program monies and services. According to the September 26, 1981 Congressional Quarterly some of the most significant areas of budget reductions are

hunger and nutrition program,

energy cost assistance,

educational assistance to needy students,

low cost housing,

aid to families with dependent children,

legal services to the poor,

urban mass transit,

employment programs,

medical benefits, and

unemployment insurance.

Such social programs have not been cut to reduce federal spending,

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since the total federal budget has not been reduced. In September of 1981, Murray Weidenbaum of the President's Council of Economic Advisors explained that social programs must be cut in order to (1) accommodate the rising military budget and (2) absorb the inflationary impact of military spending.

The attitude that people's health, well-being and opportunity can be compromised and ignored for so-called "security" is intolerable. The use of funds in ways that impede human development and, indeed, bring us closer to self-destruction must be questioned and challenged. While ensuring national security is necessary, spending huge amounts of money for military programs that are not necessary and endanger rather than enhance world peace is not.

A boon in the military sector of the economy drives up the cost of many raw materials needed in the civilian sector. Interest rates are driven up by heavy borrowing to finance production plants for weapons.(5)

These are only a few of the factors of military spending that contribute to a negative long-term effect on the economy. Such factors deprive America of the funds needed to build a healthy industrial economy for the decades to come.

Some national church bodies have recognized for years the need to control the Arms Race and continue to speak out. For example, as early as 1959 the United Church of Christ, (UCC) at its Second General Synod said, "A drastic reduction in the present levels of national armaments is imperative" in order to strengthen the nation. In 1963 the UCC Fourth

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General Synod voted for permanent cessation of all nuclear weapons testing. At the 1969 Seventh General Synod the UCC endorsed SALT talks, opposed deployment of the Anti-Ballistic Missile system, called for cessation of testing of MIRV vehicles, and a change in the national priorities to direct more U.S. resources away from munitions and to development. In each of the ensuing General Synods meeting biennally, strong pronouncements against the Arms Race were passed with Peace and the Arms Race major issues for local church study.

Many other religious organizations have historically called for peace. In contrast, our nation's presidents always speak of leading our country for peace but based upon an excessive arms buildup.

It is contradictory to be a nation dedicated to peace and freedom and fulfillment of human potential, and at the same time continue to stockpile and prepare to deploy more and more nuclear weapons closer and closer to the shores of those we are trying to convince that we are peaceful people.

Were it credible that these weapons could really prohibit war, we are still not advancing the cause of peace. A peace that ensures human rights, a peace that frees the world from economic deprivation and, most importantly, a peace that gives all people the wholeness of life that is God's purpose for all, cannot be achieved by stealing from the masses to finance the idiocy of a few.

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Since the physicians of the nation and of the world have so convincingly assured us that nuclear war is not only a terrible destruction of life and property, but thoroughly genocidal, the often asked question, "Can we win a nuclear war?" is nonsense. It is utter madness--the madness of the person who thinks it; the insanity of the leaders who propose it. Listen to one of our leaders:

> "You have survivability of command and control, survivability of industrial potential, protection of a percentage of your citizens and you have a capability that inflicts more damage on the opposition than it can inflict on you."
>
> George Bush, February 1980

Or this "encouraging" word:

> "Japan, after all, not only survived but flourished after the nuclear attack . . . . Depending upon certain assumptions, some estimates predict 10 million (dead) on one side and 100 million on the other, but that is not the whole population."
>
> Eugene Rostow, Director of Arms Control and Disarmament Agency, Senate Confirmation Hearing, June, 1981

Is it libelous to suggest that this disregard for 10 and even 100 million people will mean the displacement of the Judeo-Christian name for God, O Yahweh or O Jehovah, by, O Rostow?

What must be done for national security? We recommend the following approach:

There is a minimal of defense needed for our lengthy borders to the north, some three thousand miles with Canada, and some 1500 miles to the south with Mexico. These two extensive border areas are unique without the usual complex barriers so heavily armed and heavily manned. There is no comparison with Russia and most other nations and their border requirements.

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We do need a more adequate Coast Guard. Again, we are uniquely favored by serveral thousand miles of ocean separating our two coasts from any nations of concern to us. But a better equipped Coast Guard has been shown necessary in these days to protect us as we venture into the waters of these oceans and the Great Lakes, and to respond to and receive other people who enter our coastal waters seeking refuge.

We do need a strong, but enlightened military posture that will allow us to assume our legitimate share of the military and policing needs that comprise the international forces of the United Nations.

A military capability with others of the free world, such as NATO, is needed so that we may confer with those nations not of the free world with enough credibility and strength to be able to take positions of freedom, justice and goodwill in negotiating agreements.

We need a new national perspective--a radically new perspective. Dr. Albert Einstein declared that "We shall require a substantially new manner of thinking if mankind is to survive." There have been only hints as to what that new manner of thinking might be. President Dwight D. Eisenhower said back in 1956 that both the United States and the Soviet Union would "have to meet at the Conference Table with the understanding that the era of armaments had ended, and the human race must conform its actions to this truth." The production and marketing of so-called conventional armaments goes on at a rate of a newly found product. The shopping for nuclear weaponry is upon us. By holding on to the cynicisms about humanity and the nations of the world, we foster and encourage distrust and fear rather than credible confidence and reliance.

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In an interview with the West German magazine DER SPIEGEL in November, 1981, Leonid Brezhnev spoke as follows about the consequences of nuclear war: "All this talk is unpleasant, but the truth, which concerns one and all, is better said aloud and explicitly before it is too late and while it is still possible to avert a catastrophe."(6)

Isn't it strange how our military leaders of a generation ago understood better than those presently standing in the same positions whose clay feet are much too small for the shoes they have put on? Here is General Douglas MacArthur on his perception of the balance of terror; "The very triumph of scientific annihilation has destroyed the possibility of war being a medium of practical settlement of international differences. . . . If you lose, you are annihilated. If you win, you stand only to lose. War contains the germs of double suicide."(7)

Mr. Chairman, most of what we hear today about our relationships with other nations, and especially toward our "enemy", as we call the Soviet Union, is of another era. It is of an obsolete age that we must set aside. The Soviet Union may be our adversary, and a formidable one, but the Soviet Union is no longer our enemy. We and the Russians, together with the other nations of the world, have a common enemy. The enemy is some 20,000 nuclear bombs, each of which is one or more megatons in size, sustained by an attitude of mind and heart that supports the production, deployment and use of these bombs nation against nation. This attitude, born of a cynical understanding of humanity, is one of arrogance and self-service that leads to paranoia about one another and the rationalization of irrational action. It is a fantasy that nuclear bombs can be used in a protracted way for limited

war for the purpose of resolving conflicts. And it is also a fantasy that a nuclear war is winnable.

We must dare to take risks. This means being open and believing and sharing the very democratic processes we declare we are desirous of saving. It is a time to dare to be vulnerable for the sake of the only strength and stability there is; for the only national self-interest that is true, valid and workable in our time, that is, a strong world alliance of trust and confidence with all nations on all the continents of this world.

Reflect on this scenario reported by one of our group. It took place in Iran--yes, Iran--in 1954-55. In international Boy Scout Troop of American, Iranian, Europian, Asian and Stateless boys were participating in the Flag (or Color Guard) Ceremony with three flags. The United Nations flag was center with the host country, Iran's flag, on the right and the U.S. flag on the left. The impressive ceremony was well executed by these friends and companions of many nations. The troop committee included representatives of these nations and among them was General Robert McClure of the U.S. Military Mission to Iran. He observed with approbation and pride that this was the way the world must go in the immediate future or we are lost.

Mr. Chairman, the future that those boys were forecasting is now!

Thank you.

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STATEMENT SUBMITTED BY

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July 17, 1982

Leon A. Dickinson Jr.

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Tuesday, July 12, 1982 DeLand (Fla.) Sun News—9

readers' forum

'Wishing For Peace; Preparing For War'

Editor, Sun News:

One of the reasons our lives are lived under the constant threat of war is the almost universal acceptance of a demonstrably false basic premise or assumption that national security can be achieved solely by war preparations. After all, the Romans said it, so it must be true: "If you wish for peace, prepare for war." And today after 2000 years, that concept is the keystone of both Soviet and American policies for achieving peace and national security.

For 2000 years we've been wishing for peace and preparing for war, yet we keep on getting war. It's hard to see why that should surprise us — our most basic folk wisdom tells us: "don't listen to what he says, watch what he does!" For 2000 years we've been saying we want peace but doing preparation for war, and it is a truism that in the long run a nation gets what it prepares for. If we are ever going to achieve a lasting peace, we've got to start preparing for it — and the Academy of Peace is a good place to start.

The other false but widely accepted "truism" is the idea that equates peacemaking with weakness. As Harold H. Saunders of the American Enterprise Institute, former Assistant Secretary of State, has recently demonstrated, nothing could be further from the truth. Speaking in Florida last year, Saunders said, "My substantive message is this: The United States in the last two decades of this century needs to give at least as much attention to strengthening its peacemaking arsenal as it needs to give to assuring its military power. We need to agree among ourselves that peacemaking, too, is a form of power. To have power is to have a dominant role in affecting the course of events. When the United States is aggressively pursuing peace in the world, our own position in the world is strengthened. The alternative is a steady decline in our ability to influence the course of history."

The Academy of Peace with its research facilities, the Associated Center for International Peace and its information services, will provide both a central clearing house and a national center for research and development in more effective peacemaking in all levels of society. Clearly this may be a critical factor in the survival of our civilization.

The above paragraphs are a quote by Mike Mapes, executive director of the National Peace Academy Campaign, in a recent newsletter. This Peace Academy Campaign (H.R. 5088) is co-sponsored by 115 Congressmen and 54 senators. (S. 1889)

If you have lived long enough to realize that the problems of national security cannot be solved by the use of force if diplomacy fails, you can see whether there's anything you and I can do about it by writing "National Peace Academy Campaign, 110 Maryland Ave. N.E., suite 409, Washington, D.C. 20002.

Doris M. Anderson
198 N. Adams St, DeLand
32720

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[CLERK'S NOTE.—The following statement was submitted for the record by the Nerve Gas Task Force.]

NERVE GAS TASK FORCE

1126 S. W. Park Ave., Portland, Or. 97205

April 8, 1982

Testimony in support of HR 5608 which prohibits funds for production of BINARY NERVE GAS WEAPONS

by Evelyn Sheen Murray

Evelyn Sheen Murray is a retired teacher with a Masters Degree in Education and 25 years of teaching experience in N.J., PA and OR. She has researched the problem of Chemical and Biological Warfare since 1967 to the present. She was a charter member of (PANG) People Against Nerve Gas, the group that was instrumental in preventing Nerve Gas from being shipped from Okinawa to Oregon or Alaska. She also helped educate citizens and petition our government to BAN Germ Warfare and to ratify the Geneva Protocol.

Evelyn Murray speaks for the Nerve Gas Task Force, a group that originated in Oregon, but has since spread to include a national membership. Sponsors, Cooperating Organizations and some of the endorsers of a petition for a unilateral Ban are listed on the letterhead.

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Women's International League for Peace & Freedom-Portland
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Rep. James Weaver
Rep. Ron Wyden

TO THE PRESIDENT: We urge you to declare a presidential unilateral ban on nerve gas, prohibiting production, research and development, stockpiling and use of all forms of war gas, including the "binary weapon", just as germ warfare was banned in 1969. We urge you to take steps for immediate detoxification and destruction of war gas on site, using methods monitored and approved by the U.S. Environmental Protection Agency; destruction should be witnessed and continuously inspected by a verification team of UN origin.

ORGANIZATIONAL ENDORSERS: Central Pacific Conference of the United Church of Christ, Priests' Senate Archdiocese of Portland, Biennial Convention of Federated Auxiliaries of International Longshoremen's and Warehousemen's Union, WAVE-Portland Branch, Fellowship of Reconciliation-National, Oregon Environmental Council, Church Women United, Unitarian Women's Auxiliary-Oregon, Women's International League for Peace and Freedom-U.S. Section, Legislative Commission of Ecumenical Ministries of Oregon, Oregon Peace Council, Multnomah Monthly Meeting Friends.

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TESTIMONY IN SUPPORT OF HR5608 which prohibits funds for production of BINARY NERVE GAS WEAPONS. by NERVE GAS TASK FORCE

The Nerve Gas Task Force presents the following reasons for opposing production of Binary Nerve Gas-

1. The US military has tried to make the point that in the face of the Soviet Chemical Warfare threat, the Binary would be a"credible deterrent". In reviewing the evolution of past systems of armaments, including the history of gas warfare itself, this reasoning is historically false. What began with French and German use of tear gas for harassment, against the Russians, and then each other, escalated to the use of chlorine at Ypres which resulted in 15,000 casualties. Both sides continued to 'improve' the types of gas and delivery systems until the composite total of injuries and deaths in WWI from gas was numbered at 1,296,853.(1) Each side had reasoned that an "improved" munition would DETER. It did not... it STIMULATED. Retaliation and escalation were the results. (We enclose the following list of armament advancements to further illustrate this point.) From the atom bomb in 1945- to the anti-satellite laser weapons currently under research and development, the US may be credited with the initiation of 9 of these systems, the USSR with three. In all cases, the development of a new weapon DID NOT DETER IT STIMULATED. In a matter of a few years, the opposite side had developed a similar capacity. (2)

2. For the aforementioned reason, to contin ue to press for production of this lethal chemical weapon, constitutes a threat not only to our adversaries, but mostly to ourselves.

With the highly perfected delivery systems now in world wide arsenals, many of which were manufactured and sold by USA; and the current hostility that we have managed to generate against ourselves, the U.S. is a prime target. Therefore the production of the Binary Nerve Gas would IESSEN not increase our security.

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ACTION ⟷ REACTION
in the Nuclear Competition

The dynamics of the nuclear arms race ensure that development of a new weapons system by one power will in a relatively brief period be followed by a comparable achievement by the other. Both powers have had "firsts". Neither has stayed ahead for long. The US generally has a technological lead of several years, but the futility of the race for short-term advantage is demonstrated by a chronology of developments to date.

US 1945 — **atomic bomb** — **1949 USSR**

The nuclear age began with the explosion of a US A-bomb of 12.5 kilotons (equivalent to 12,500 tons of TNT) over Hiroshima, Japan. The single bomb, which destroyed the city, introduced to the world a concentrated explosive force of unprecedented power. Within four years, the USSR conducted its first atomic test.

US 1948 — **intercontinental bomber** — **1955 USSR**

By 1948, the US had begun to replace the propeller planes of World War II with long-range jets. The first planes developed for strategic (intefcontinental) bombing required refueling to reach another continent. In 1955, the US began deployment of the all-jet intercontinental bomber, and USSR soon followed suit.

US 1954 — **hydrogen bomb** — **1955 USSR**

The H-Bomb multiplied the explosive force of the A-bomb 1,000 times. The first US thermonuclear bomb had a yield equivalent to 15,000,000 tons of TNT; a year later the USSR tested a bomb in the million-ton range.

US/USSR 1957 — **intercontinental ballistic missile (ICBM)** — **1958 US**

Following intensive development by both nuclear powers, a land-based missile to carry nuclear warheads intercontinental distances was successfully flight-tested by the USSR in 1957, and by the US a year later. By 1962 both nations had ICBM's with a range of 6,000 miles, each missile able to carry a payload equivalent to 5-10,000,000 tons of TNT.

USSR 1957 — **man-made satellite in orbit** — **1958 US**

Sputnik I by the USSR initiated a space race which quickly took on military functions; the first US satellite was launched into orbit the following year. Well over half the superpowers' satellites have been military: for surveillance, targeting, communications, etc.

US 1960 — **submarine-launched ballistic missile (SLBM)** — **1968 USSR**

A nuclear-powered submarine which could fire long-range missiles from a submerged position was the third means of strategic delivery. The US produced the nuclear-powered Polaris, with missiles with a range of 1,200 nautical miles. Eight years later the USSR had comparable nuclear subs.

US 1966 — **multiple warhead (MRV)** — **1968 USSR**

Multiheaded missiles increased the number of targets a missile could hit. US MRV'd missiles carried three warheads, each with sixteen times the explosive force of the Hiroshima bomb. The USSR had them two years later.

USA 1968 — **anti-ballistic missile (ABM)** — **1972 US**

The USSR deployed 64 defensive missiles around Moscow. The US began construction of the Safeguard system in 1969 and had one site completed when a treaty restricting ABM's was signed in 1972. Generally judged militarily ineffective, ABM's were restricted to one site in each country in 1974. Subsequently the US site was closed.

US 1970 — **multiple independently-targeted warhead (MIRV)** — **1975 USSR**

Further development of multiple warheads enabled one missile to hit three to ten individually selected targets as far apart as 100 miles. USSR began to flight-test MIRV's three years after US put them in service and in 1975 began deployment.

US 1982 — **long-range cruise missile** — **198? USSR**

Adaptable to launching from air, sea, and land, a new generation of missiles with a range up to 1,500 miles is in production. The cruise missile is small, relatively inexpensive, highly accurate, with the unique advantage of very low trajectory. Following the contours of the earth, and flying under radar, it will be able to destroy its target without warning. The US is reportedly 7-8 years in the lead in this technology.

US 1983 — **neutron bomb** — **198? USSR**

This nuclear weapon releases its explosive energy more in the form of an invisible, penetrating bombardment of radiation rather than in heat and blast. The decision to produce and stockpile the enhanced radiation warhead in the US was announced in August 1981. The USSR promptly announced that it has the capability but had deferred a production decision.

US 199? — **anti-satellite weapons** — **199? USSR**

Because satellites play vital military roles, they have also inspired a search for weapons to destroy them. The USSR began testing interceptor satellites in 1968. Both superpowers are attempting to perfect lasers to destroy enemy satellites and nuclear missiles in event of war.

SOURCE: RUTH LEGER SIVARD
World Military and Social Expenditures 1981

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3. " By promoting the Binary, the military compounds the verification issue and thereby guarantees the failure of the treaty-seeking effort"(3) During the negotiations from 1976 to 1980, the USSR agreed to the concept of ON SITE inspection as a means of verification.(4)The negotiations have now lapsed.

On Feb.8,1982 President Reagan said," this step will provide strong leverage towards negotiating a verifiable agreement banning chemical weapons" (5) Because the components of the Binary are elements used in manufacture of domestic products, verification would be made extremely difficult.

Alva Myrdal , renowned Swedish diplomat and winner of Einstein Peace prize, 1980, reiterates " Our experts on chemical weapons have recently come to be much worried by plans to produce lethal nerve gas by a new method- a so-called binary form- which might escape all attempts at control "(6) Already Chemical companies are indicating readiness to produce the needed components.(7)

4. In the midst of the volume of accusations which the U.S. State Dept is hurling at the Soviets, an adoption of this weapon whose use would greatly surpass the damage real or imaginery that has already been wreaked by our adversary, would clearly demonstrate US complicity. The editor of the Christian Science Monitor has said it well-

> "For the US to go ahead with the manufacture of chemical weapons at a time when questions are being posed in international forums about possible Soviet violations of existing treaties regarding toxins would be counterproductive since it would give Moscow justification for any such actions".(8)

5. The production of Binary Nerve gas would demonstrate crass indifference to the feelings of our Allies. The military and the President seem to have completely overlooked Allied feelings about the Binary. In the 50's and 60's when the U.S. was producing nerve gas on a 24 hour basis for over three years, mostly at the Newport Chemical Plant near Terre Haute, Indiana, and stockpiling millions of pounds of it nationwide, our Allies were disposing of theirs, they felt much safer without it.

Dr. Heselson said, "Norway has renounced the use of chemical weapons under all and any circumstances, indefinitely and into the future, so has Holland. The Federal Republic of Germany has not only refused to

possess chemical weapons but has renounced in perpetuity the training of their soldiers in the use of chemical weapons."(9)

The largest Protestant church in Germany (Federal Republic), issued a public protest, June 1981, signed by 3812 people, demanding that the Federal Republic of Germany not agree to store new chemical weapons and to take effective steps to reduce existing poison gas depots.

The British Manchester News featured in bold type (on their Mailbag page of Jan. 7, 1982) AVOID NERVE GAS NIGHTMARE. The correspondent, a librarian who had used her life savings to travel around the world for Peace, said,"When, on my trip, I spoke to ordinary American people they expressed surprise when I told them that there are over a hundred US bases in Britain, and they told me they themselves would never put up with foreign bases and foreign weapons in their country. Let us make sure we do not allow the US Binary nightmare to happen in this country." (10)

2000 British scientists have recently launched a campaign opposing chemical weapons production by the U.S. and possible storage of the Binary in Great Britain. According to Dr. Julian Perry Robinson, top British expert, the ratio of civilian to military casualties is projected to be greater in a war with chemical weapons than in a war using tactical nuclear weapons.

6. In a case of chemical exposure of civilians, impossible demands would be put on surviving medical personnel. As for rescue efforts, therapy requires immediate lavage and intensive administration of artificial respiration, mechanical or mouth to mouth, plus intravenous injections of special solutions. "The treatment of infants is especially difficult because of risk of hyperthermia".(11).

To summarize-

1. The production of Binary Nerve Gas Weapons would not deter but stimulate, resulting in escalation of the arms race and proliferation of this type of weaponry.

2. Because modern, intercontinental delivery systems, many of which have been made in the U.S. and sold across the world, could delivery the Binary (which is easily reproduced) to our own shores, Binary Nerve Gas is a threat to our own citizens.

3. Because the components of the Binary have many industrial uses, verifi-

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cation for an International Treaty banning them would be next to impossible.

4. Producing the Binary in the face of UN investigation of alleged Russian violation of the Biological Treaty is an exercise in futility- Russia would then feel justified.

5. Producing the Binary would demonstrate crass indifference to the feelings of our allies who have destroyed their own stockpiles and do not want ours.

6. In a case of chemical exposure of civilians, impossible demands would be put on surviving medical personnel.

Production of Binary Nerve Gas would exceed the bounds of civilized behavior. To introduce this technology would irretrievably tarnish the image of our beloved country. The Binary Nerve Gas weapon, bred in secrecy, would leave our children a legacy of horror and disgrace.

References (1) Scientist and Citizen- August/September 1967
(2) World Military and Social Expenditures- 1981
(3) Mr. George R. Berdes (Staff Consultant with House International Relations Committee- Publisher of "Friendly Adversaries: the Press and Government" in a report to Am. Chemical Society- Aug. 31, 1976.
(4) Senator Hatfield- Sept 16,1980
(5) Oregonian- AP 2-9-82
(6) Alva Myrdal- "Game of Disarmament"- Pantheon N.Y. p.286
(7)Chemical Sources- Audit 1982 Edition (a) Directories Publishing Co., (b) 1981 Directory of Chem. Producers Published by SRI International Ref. HD 9651-3 C5 1982
(8) Christian Science Monitor Editorial 1-27-82
(9) Dr. Matthew Meselson- top Nerve Gas Specialist-Harvard taped interview- 7-31-80
(10) Marie Bowland- Manchester Evening News- Jan 7,1982
(11) Goodman, L.S. & Gilman A " The Pharmacological Basis of Therapeutics, third edition (MacMillan Co., New York)

Submitted by

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April 8, 1982

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[CLERK'S NOTE.—The following statement was provided for the record by the Tampa Bay Peacemakers.]

TESTIMONY

Presented to the DEFENSE SUBCOMMITTEE, HOUSE APPROPRIATIONS COMMITTEE on the FY 83 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL

Tampa Bay Peacemakers, based in St. Petersburg, Florida, is grateful for this opportunity to submit testimony to the Subcommittee.

According to the Center for Defense Information (21 March 1982) Principal Deputy Under Secretary of Defense, Research and Engineering James Wade said on September 15, 1981, "We must not fear war." We who live in the Tampa Bay area in Florida, a highly-targeted area because of the nearness of MacDill Air Force base and the General Electric plant which makes components for nuclear weapons systems, do fear war.

Knowing something of the destructive power of the nuclear arsenals of the superpowers, we think it is only prudent to fear war. We also think it prudent to look closely at the projected expenditures for new weapons systems which destabilize military balance and increase nervousness on the part of the leaders. We feel that nervous leaders are incapable of making sound judgments. Our greatest effort, then should be spent in stabilizing the weapons systems of the two superpowers so that sane judgments can be made and eventually nuclear armaments reduced on both sides.

History tells us that every new weapons system created by this country is eventually matched in the Soviet Union. This "offense-defense spiral" seems unending. The Tampa Bay Peacemakers feels it is imperative that the Congress stop the upward spiral of spending of the superpowers on nuclear weapons. In fact, we specifically question spending on new weapons systems which are destabilizing. We are referring to the following, which if funded, could lead us to nuclear war:

1. Navstar
2. Trident II
3. Attack submarines
4. MX
5. Pershing II
6. ELF

To clarify our concern, here are some analyses and questions which we would like considered and answered.

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A., B., NAVSTAR and TRIDENT II

A submarine-based missile force of the present (Trident I) accuracy provides the U.S. unambiguously with the ability to retaliate against Soviet cities or industrial targets after a Soviet first strike. Funds are now requested for a more accurate submarine - launched missile, Trident II.

Other funds are requested, for a satellite system, "Navstar," which will markedly increase the accuracy of U.S. submarine-launched Trident II missiles.

The Soviet Union can reasonably, if pessimistically, assume that the warheads on a Trident II missile could be delivered with 750' CEP, without fratricide, with 85% reliability, with zero bias, and that the Soviet silos have a hardness of 2500 psi. With these assumptions, the probability of two Trident II warheads killing one Soviet ICBM silo is 68%, compared to only 13% for Trident I. Navstar will still further increase the threat to Soviet ICBMs.

1. Does not t he projected deployment of 2 or 3 thousand warheads in Trident II missiles increase the first-strike capability of the U.S. against Soviet land-based ICBMs?

2. What is the rationale for increasing the accuracy of missiles launched from submarines?

3. Since roughly three-quarters of Soviet warheads are based in land-based ICBMs (as contrasted with only about one quarter of U.S. warheads based in land-based ICBMs), will not the increased threat posed by Navstar and Trident II to their missiles force

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the Soviets to build more ICBMs, or to switch to mobile ICBMs (which are difficult for us to count), or to adopt launch-on-warning?

4. Faced with the deployment of both MX and Trident II missiles, together with the threat posed to deployed Soviet SSBNs by U.S. attack submarines, wouldn't the Soviet Union have more reason than at present to consider adopting a launch-on-warning policy in order to safeguard its land-based deterrent?

5. Given the inherently limited reliability of any missile-attack warning system, and the fact that U.S. submarine-launched ballistic missiles (SLBMs) could take as little as 10-15 minutes to reach the Soviet Union, wouldn't a Soviet launch-on-warning policy make crises in U.S.-Soviet relations more dangerous than at present?

C. ATTACK SUBMARINES ("SSN")

Part of our deterrent force, and of the Soviets' deterrent, are missiles carried in submarines. These missiles are threatened by "attack" submarines (SSN class submarines) designed to destroy the missile-carrying submarines.

1. Is not each side's submarine-based retaliatory capability threatened by the other side's attack submarines?

2. Since over 85% of the Soviet SSBN force is usually in port without shelter and therefore extremely vulnerable to pre-emptive nuclear attack by ICBMs or SLBMs, isn't it particularly important for the U.S. to exercise restraint in the level of attack submarine deployment, and hence in the U.S. ability to

destroy Soviet missile-carrying submarines?

3. The United States already has more than 100 attack submarines. This is roughly ten times the number of missile-carrying submarines the Soviets normally have at sea. As seen through Soviet eyes do we not already have enough attack submarines to threaten seriously their missile-carrying submarines? (The question recognizes that some of our attack submarines are used to protect U.S. surface ships, or to form barriers in the Sea of Japan or the gap between Greenland and Iceland, but the Soviets must consider that u.S. attack submarines can be diverted from these duties to trailing and threatening their missile-carrying submarines).

D. MX

1. Aviation Week gives the Circular Error Probable (CEP) with which the MX could deliver Mk12-A warheads as 300'. Is this accuracy not considerably greater than that of a Minuteman III missile?

2. It is reasonable to assume that the MX could deliver Mk12-A warheads without fratricide, with 85% reliability, and with a systematic bias error of 300'. This would give a kill probability of over 87%, for even a silo as hard as 5000 psi, if one silo was attacked by 2 warheads. Why is a missile with the hard-target-kill capability of MX needed, in the numbers projected?

3. What is the rationale for producing the MX, which is capable of destroying Soviet land-based missiles in their silos, given the fact that any Soviet ICBMs not used in a Soviet first

strike could be launched as soon as a U.S. retaliatory strike was detected?

4. Doesn't a U.S. submarine-based missile of the present size and accuracy already provide the U.S. with the unambiguous ability to retaliate against Soviet cities or industrial targets, in the event of a Soviet first strike?

5. Couldn't the Soviet Union construe the deployment of MX missiles as a step towards a U.S. capability to strike first and prevent the Soviet Union from being able to cause comparable amounts of damage in retaliation?

6. Given the limits to the reliability of any missile-attack warning system, isn't it extremely undesirable to deploy the MX, since the MX decreases the survivability of the Soviet nuclear deterrent and increases the motivation for the Soviet Union to adopt a launch-on-warning policy?

E. PERSHING II

Funds are requested for the Pershing II, a highly accurate land-based missile. The flight time of this missile from proposed bases in Europe to some soviet missile silos and command centers is under 10 minutes - far shorter than the flight time for a Soviet missile to hit any existing U.S. missile. As seen through Soviet eyes, the deployment of the Pershing II in Europe will threaten some of their missiles and command centers.

Why is the availability of the Pershing II to wage tactical war in Europe worth the destabilizing impact of deploying 108 Pershing II missiles capable of destroying Soviet command centers

and missiles in a first strike?

F. ELF

ELF is an antenna which can transmit orders, at extra low frequencies, to both attack submarines and missile-carrying submarines. If the Soviets struck first, ELF would presumably be one of the first targets destroyed; ELF would no longer be available to instruct U.S. missile-carrying submarines to retaliate.

But ELF does have a function if the U.S. strikes first: it could instruct U.S. attack submarines to destroy Soviet missile-carrying submarines. The Soviets rely on these submarines to deter a U.S. attack.

How can the Soviets perceive ELF to have any use other than U.S. first strike capability, since it almost certainly would not survive a Soviet first strike?

It can be argued that ELF has a second strike function if it constantly transmits a signal to U.S. submarines. The abrupt loss of this signal could be interpreted by U.S. submarines as a signal that ELF had been destroyed; the loss of transmission would thus be the signal to attack the Soviet Union. But the transmitter could also stop if its electric power supply accidentally failed. Under this scenario might an accidental loss of power to the transmitter result in a loss of signal to the submarines, and thus an accidental attack on the Soviet Union?

[CLERK'S NOTE.—The following statement was provided for the record by the Citizens of the First Congressional District of Georgia.]

TESTIMONY

PRESENTED TO THE DEFENSE SUBCOMMITEE, HOUSE APPROPRIATIONS COMMITTEE

ON THE FY83 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL

Thank you for the opportunity to submit testimony to the Subcommittee.

The main point we wish to make is this: the defense appropriations you have been asked to approve may not bring our nation more security. Indeed, these funds may make the United States less secure.

The improvements in targeting capabilities of the proposed strategic weapons will allow destruction of Soviet weapons rather than cities. Our forces will then be capable of destroying the bulk of the Soviet nuclear arsenal. The development of such a "first-strike" capability is likely to "destabilize" the arms race and lead us into nuclear war. U.S. intentions regarding first strikes matters little--what counts is the Soviet's perception of our intentions. They will undoubtedly adopt the most pessimistic viewpoint on our deployment of these new weapons, as do our own strategic planners when regarding Soviet capabilities. The perceived threat to a very high percentage of their strategic forces may pressure them to adopt a launch-on-warning policy, and will greatly increase the chances of nuclear war, either by design or by accident.

While we are not experts on the technical aspects of these weapons systems, as concerned citizens we oppose the development of systems with a first-strike capability. Our testimony will mention six examples of counterforce weapons which threaten to upset the strategic balance:

A. Navstar

B. Trident II

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C. Attack submarines

D. MX

E. Pershing II

F. ELF

As a general introduction to counterforce weapons we include an excerpt from a Congressional Budget Office study.

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From: "Counterforce Issues for U.S. Strategic Nuclear Forces," Congressional Budget Office, Jan. 1978

CHAPTER IV. U.S. COUNTERFORCE CAPABILITY

DETERRENCE AND STRATEGIC STABILITY

It is often suggested that the proper response to the growing Soviet counterforce threat is the development of a significant U.S. counterforce capability. The reasoning is that, even though U.S. forces surviving a Soviet first strike would probably be large enough to destroy Soviet cities, the United States would have few credible responses to a counterforce attack, since retaliation against Soviet cities would surely be returned in kind. Unless U.S. forces were capable of retaliation against the Soviet nuclear arsenal, the Soviet Union might be tempted to attack U.S. strategic forces, and especially the ICBM part of that force, in order to reduce U.S. options or shift the balance of strategic power against the United States. Such an attack might be particularly tempting if the United States had no way to respond in kind and if the Soviet leadership could convince themselves that U.S. leaders would never carry out the threat to destroy Soviet cities as long as U.S. cities remained intact. On the other hand, if a U.S. counterstrike against Soviet strategic forces could succeed in drawing down the Soviet arsenal to a level approximating that of the surviving U.S. force, then no advantage could be gained from a Soviet first strike against the United States. Thus, in an era of growing Soviet counterforce capability, deterrence may depend on U.S. acquisition of a second-strike counterforce capability. In recent years official Defense Department statements have hinted at a growing acceptance of such a second-strike counterforce doctrine.

> No opponent should think that he could fire at some of our Minutemen or SAC bases without being subjected to, at the very least, a response in kind. No opponent should believe that he could attack other U.S. targets of military or economic value without finding similar or appropriate targets in his own homeland under attack. No opponent should believe that he could blackmail our allies without risking his very capability for blackmail. 1/

1/ James R. Schlesinger, Annual Defense Department Report, FY 1976 and FY 197T, pp. II-4 and II-5.

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An even more direct statement of a second-strike counterforce doctrine was made in 1976 in hearings before the Senate Armed Services Committee:

> In attempting to retaliate for an attempted disarming first strike, one possibility, of course, is that of wiping out the Soviet Union. However, I think that a better way of responding is to wipe out what forces he holds back--his remaining blackmail capability--and, hence leave him in a position where he is worse off having executed the strike than not having executed it. If he is worse off doing it, he is not likely to do it. 2/

Several objections have been raised to the development of U.S. counterforce capability. Perhaps the most serious problem with U.S. forces designed for second-strike counterforce stems from the possibility that they would be seen as first-strike weapons, and thus be destabilizing. Two types of nuclear stability might be threatened by the development of U.S. counterforce capability: crisis stability and arms control stability. The first kind involves the incentives to strike first that each side would face in an international crisis. There may be an inescapable dilemma involved in the procurement of second-strike counterforce capability: a U.S. arsenal large enough to attack Soviet ICBMs after having absorbed a Soviet first strike would be large enough to threaten the Soviet ICBM force in a U.S. first strike. Moreover, the Soviet Union, looking at capabilities rather than intentions, might see a U.S. second-strike capability in this light. Faced with a threat to their ICBM force, Soviet leaders facing an international crisis might have an incentive to use their missiles in a preemptive strike before they could be destroyed by the United States. The Soviets might well be far more sensitive to a threat to the survivability of their ICBMs than the United States. The Soviets place far more emphasis on their ICBM force than does the United States, since the submarine and bomber segments of their nuclear arsenal are significantly less capable than those of the United States. Only 11 percent of

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2/ Statement of John B. Walsh, Deputy Director, Strategic and Space Systems, Office of the Director of Defense Research and Engineering, in Department of Defense Authorization, Fiscal Year 1977, Hearings before the Senate Armed Services Committee, 94:2 (1976), Part 11, p. 5930.

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the Soviet submarine force is at sea at any one time, leaving the rest vulnerable to surprise attack. 3/ Furthermore, in light of the sophisticated nature of U.S. antisubmarine warfare capabilities and the fact that Soviet submarines are considered to be far noisier than their U.S. counterparts, even Soviet submarines at sea may be vulnerable, although longer-range Soviet SLBMs have reduced this vulnerability. In any event, the destructive power of at-sea Soviet SLBMs is limited because of the primitive nature of Soviet sea-based MIRV capability. Soviet bombers are also much smaller in number and in capability than their American counterparts (see Table 1).

Table 4 presents the expected outcome of three hypothetical U.S. first strikes against the Soviet ICBM force shown in Table 1. Several important implications can be drawn from these results. First, the counterforce capability of Minuteman III missiles against Soviet ICBMs seems to be comparable to the threat posed by the current generation of Soviet missiles to U.S. ICBMs; both sides would be able to destroy about 40 to 60 percent of the other's silo-based ICBMs. Specifically, 550 Minuteman III missiles with improved accuracy, each carrying three warheads, would be expected to destroy about 43 percent of the Soviet ICBM force. If the more accurate, more powerful MK-12A warhead were deployed on all 550 Minuteman III missiles, the United States could destroy about 64 percent of the Soviet land-based missile force in a first strike.

Second, the U.S. MX missile, with its reported ability to carry ten MK-12A warheads to within 400 feet of their targets, 4/ potentially could destroy about 92 percent of the Soviet Union's ICBMs, leaving about 100 missiles, 600 warheads, and 500 equivalent megatons in the Soviet land-based missile force. For comparison, only about 40 percent of Soviet ICBMs could be destroyed by a force of 550 Minuteman III missiles with improved accuracy. This result, when combined with consideration of the qualitative inferiority of the Soviet submarine force and the small size of the bomber force, indicates that deployment of a large number of MX missiles could pose a significant first-strike threat to the Soviet Union.

3/ General George S. Brown, United States Military Posture for FY 1978, p. 14.

4/ See "MX Deployment Urged for Parity," Aviation Week and Space Technology, December 5, 1977, p. 14.

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TABLE 4. SOVIET ICBMs SURVIVING A U.S. FIRST STRIKE

U.S. Weapons Used in First Strike	Percent	Missiles	Warheads	Equivalent Megatons
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NOTE: Assumes U.S. programs two groundbursts per target if enough warheads are available. See Table 1 for pre-attack Soviet ICBM force. Soviet modernized silos assumed to be hardened to 2,000 pounds per square inch; 550 pounds per square inch for older SS-11s. MX assumed to carry ten 350-kiloton warheads with CEP of 400 feet and reliability of 0.85. See Table 2 for Minuteman III and MK-12A estimates.

Many opponents of U.S. counterforce capabilities believe that weapons threatening to the Soviet ICBM force would be extremely dangerous in a crisis. They argue that the Soviets would then have an incentive to strike first, since allowing the United States to fire first would result in the loss of a large portion of the Soviet force. Thus, paradoxically, a U.S. attempt to match Soviet counterforce potential might serve to increase, rather than reduce, the possibility of a Soviet attack. These critics also maintain that threats to the Soviet strategic deterrent would compel the Soviet Union to build new weapons to compensate for the vulnerability of their silo-based ICBMs. This Soviet reaction might bring with it not only renewed hostility, but also new weapons threatening to U.S. national security.

Others believe that improved U.S. counterforce capability is unnecessary. Even without the development of an expensive capability to destroy Soviet ICBMs, the United States would have several credible response options short of retaliation against Soviet cities in the event of a Soviet counterforce attack. One possibility would be to retaliate against Soviet conventional military forces. Alternatively, the United States could choose to attack other Soviet nuclear forces, such as submarine ports, bomber bases, and command and control facilities.

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[CLERK'S NOTE.—The following statement was provided for the record by the Washington North Idaho Conference, United Church of Christ.]

W. James Halfaker
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WASHINGTON NORTH IDAHO CONFERENCE
UNITED CHURCH OF CHRIST

August 6, 1982

To Members of the House of Representatives...
at Public Hearing of the Defense Appropriations Subcommittee
in Washington, D.C., August 10 and 11, 1982

Dear Honorable Representatives:

I am writing to you on the anniversary of Hiroshima and on the eve of the arrival of the first awesome Trident Submarine to Puget Sound. $1.2 billion worth of destructive metal will probably have, by now, entered Hood Canal. Trident's safe passage has so alarmed the Department of Transportation and the US Navy that they have created a "war zone" around its path, and levied exagerated penalties for being within sight of the Trident (5 years, $10,000).

Fragile, sleek, and powerful, it is coming in empty. In a day or two it will become a terrifying and dangerous weapon, loaded with its massive multiple warheads, more on one ship than have been fired in all the naval warfare in the past.

As a nation, we live in a state of fear and paranoia, or we would not build such costly, dangerous weapons, weapons with first-strike capacity, which, by there pinpoint accuracy and their ability to range far closer to our enemies than their predecessors, have substantially shortened the warning time our "enemies" would receive. They would have to respond to a "probable attack" much more quickly.

Trident has cost us dearly, and each submarine will cost us more, as additional appropriations are proposed in the 1983 "defense" budget. And further, by its accuracy and range, Trident has made us more vulnerable to the very attack it reportedly would seek to deter.

Meanwhile, our newspapers are filled with stories of economic want, private and public employees helping with expanding food banks whose volume increases daily because people are hungry and out of work. Our logging industry remains stifled; our shake mills shut down. Unemployment runs as high as 30% in the Newport and Grays Harbor areas. Our President recently vetoed help for the housing industry which could have put this group of people gradually back to work. Yet, we continue to spend grandly for the Trident and MX missiles, the

(continued)

Affiliated for Program with the Church of the Brethren and the Christian Church (Disciples of Christ) in the Northwest.

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vehicles of destruction that are great threats to our homes and safety, both by their force and their cost to our economy.

In our area, religious leaders, 14 denominational executives, and many state-wide church assemblies have spoken out, protesting the high level of defense spending and the recent massive cuts in social and health services.

When you hear about the Trident coming into Puget Sound, know that a dozen of us will be quietly praying for peace, for a change of heart, for eyes to be opened to the deathly reality of Trident and the fearful, costly assumptions on which it floats. We will be praying for a lessening of our fears and a change in our national priorities and our spending toward support of a new, just life for our nation.

Not total disarmament, but an end to the headlong expansion of our nuclear arsenal is my call and the call of many in the United Church of Christ.

Nuclear Freeze petitions in our towns, assembly resolutions, public forums, protest gatherings on the waters of Puget Sound, prayers from many corners for the lessening of fear, are the ways that many of us are calling for a change of direction in our 1983 federal budget and especially its military spending.

I pray that our country may regain confidence in itself and its practice of supporting justice in our nation and around the world, which will make the high spending for nuclear weapons for our "protection" no more than an ancient nightmare.

Thank you for the opportunity to testify.

W. James Halfaker

W. James Halfaker
Conference Minister
Washington North Idaho Conference
United Church of Christ

WJH/mlr

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[CLERK'S NOTE.—The following statement was provided for the record by the Citizens Concerned About Defense and Disarmament.]

Citizens Concerned About Defense
& Disarmament
C/O Mrs. Dorothy C. Schubert
King's Highway
Rowe, Massachusetts 01367

Representative Joseph P. Addabbo
C/O Defense Subcommittee, Committee on Appropriations
U.S. House of Representatives
H-144 Capitol Building
Washington, D.C. 20515

Dear Chairman Addabbo and Subcommittee Members:

We would like to express our gratitude to this committee and its chairman for allowing us to address the subject of defense funding for the coming year. For us, this testimony is an extraordinary step--one we take with a full realization of the responsibility it entails.

The Citizens Concerned about Defense and Disarmament is an informal group with representatives from three western Franklin County, Massachusetts, towns. We come from diverse occupations and backgrounds; what we have in common is a concern regarding the frightening escalation of the nuclear war-making potential we see growing in our country. We have in our membership a registered nurse who works on a psychiatric ward, a high-school teacher of global ecology, the Chairman of the Executive Board of our local Federated Church, a retired elementary school principal, the wife of a Boston University professor, and a former selectman. Two of us are high-school English teachers as well. Most of us are parents. We are busy people who live active professional lives and who devote a great deal of time to our communities. For us, being Americans has meant participation in preservation and growth. We have seen ourselves as recipients and transmitters of a spiritual and educational heritage, caretakers of our environment, people who care about our fellow man.

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We have helped to run schools, hospitals, churches, and towns. Because of this, our concern with nuclear proliferation comes from a prior commitment--a commitment to the survival of the world we have helped to build.

We see the chance for that world's survival decreasing, rather than increasing, with the building of weapons such as the MX missile, the Trident II, the Pershing II, cruise missiles, and attack submarines. These weapons are not designed as deterrents, but rather as first strike weapons--weapons which will enable us to wipe out the defenses of our opponents before they can use them. We are thus about to put the world on a new footing in regard to nuclear warfare. Such weapons will subject each nation to the necessity of deciding--often within a matter of minutes--whether or not to deploy its nuclear arsenals or risk their loss in a preemptive, counterforce, first strike. We are at a moment of historic decision-making. We are not deciding whether or not to build new weapons, but specifically whether or not to build a new kind of weapons--weapons which will leave our world more unstable, balanced on the razor edge of almost instantaneous annhilation. That this annihilation might well be based on simple computer error adds to the insanity of pursuing such a policy.

Enclosed are technical considerations posed by the Harvard-Radcliffe Swing District Project. We find them to the point and of grave concern. Our nation is increasingly in the position of the man who stockpiles dynamite in his own home as a defense against attack. Our weapons become more dangerous than our enemies.

We urge that your committee recommend that these weapons not be funded.

Correspondence Committee:
Dorothy Schubert
Patricia E.Scarbrough
Susan L. Williams
William Kiendzior
Esther Haskell

Sincerely,

Dorothy Schubert

Dorothy Schubert, Coordinator
Citizens Concerned About Defense
& Disarmament

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TESTIMONY

PRESENTED TO THE DEFENSE SUBCOMMITTEE, HOUSE APPROPRIATIONS COMMITTEE ON THE FY83 DEPARTMENT OF DEFENSE APPROPRIATIONS BILL

Thank you for the opportunity to submit testimony to the Subcommittee.

The main point we wish to make is this: the defense appropriations you have been asked to approve may not bring our nation more security. Indeed, these funds may make the United States less secure.

These are new types of strategic weapons - capable of destroying Soviet weapons rather than cities. These particular weapons may "destabilize" the arms race and lead us into nuclear war. We shall mention six examples of counterforce weapons systems which threaten to upset the strategic balance:

A. Navstar

B. Trident II

C. Attack submarines

D. MX

E. Pershing II

F. ECF

As a general introduction to counterforce weapons we include an excerpt from a Congressional Budget Office study.

A., B., NAVSTAR and TRIDENT II

A submarine-based missile force of the present (Trident I) accuracy provides the U.S. unambiguously with the ability to retaliate against Soviet cities or industrial targets after a Soviet first strike. Funds are now requested for a more accurate submarine - launched missile, Trident II.

Other funds are requested, for a satellite system, "Navstar," which will markedly increase the accuracy of U.S. submarine-launched Trident II missiles.

The Soviet Union can reasonably, if pessimistically, assume that the warheads on a Trident II missile could be delivered with 750' CEP, without fratricide, with 85% reliability, with zero bias, and that the Soviet silos have a hardness of 2500 psi. With these assumptions, the probability of two Trident II warheads killing one Soviet ICBM silo is 68%, compared to only 13% for Trident I. Navstar will still further increase the threat to Soviet ICBMs.

1. Does not t he projected deployment of 2 or 3 thousand warheads in Trident II missiles increase the first-strike capability of the U.S. against Soviet land-based ICBMs?

2. What is the rationale for increasing the accuracy of missiles launched from submarines?

3. Since roughly three-quarters of Soviet warheads are based in land-based ICBMs (as contrasted with only about one quarter of U.S. warheads based in land-based ICBMs), will not the increased threat posed by Navstar and Trident II to their missiles force

the Soviets to build more ICBMs, or to switch to mobile ICBMs (which are difficult for us to count), or to adopt launch on warning?

4. Faced with the deployment of both MX and Trident II missiles, together with the threat posed to deployed Soviet SSBNs by U.S. attack submarines, wouldn't the Soviet Union have more reason than at present to consider adopting a launch-on-warning policy in order to safeguard its land-based deterrent?

5. Given the inherently limited reliability of any missile-attack warning system, and the fact that U.S. submarine-launched ballistic missiles (SLBMs) could take as little as 10-15 minutes to reach the Soviet Union, wouldn't a Soviet launch on warning policy make crises in U.S.-Soviet relations more dangerous than at present?

C. ATTACK SUBMARINES ("SSN")

Part of our deterrent force, and of the Soviets' deterrent, are missiles carried in submarines. These missiles are threatened by "attack" submarines (SSN class submarines) designed to destroy the missile-carrying submarines.

1. Is not each side's submarine-based retaliatory capability threatened by the other side's attack submarines?

2. Since over 85% of the Soviet SSBN force is usually in port without shelter and therefore extremely vulnerable to pre-emptive nuclear attack by ICBMs or SLBMs, isn't it particularly important for the U.S. to exercise restraint in the level of attack submarine deployment, and hence in the U.S. ability to

destroy Soviet missile-carrying submarines?

3. The United States already has more than 100 attack submarines. This is roughly ten times the number of missile-carrying submarines the Soviets normally have at sea. As seen through Soviet eyes do we not already have enough attack submarines to threaten seriously their missile-carrying submarines? (The question recognizes that some of our attack submarines are used to protect U.S. surface ships, or to form barriers in the Sea of Japan or the gap between Greenland and Iceland, but the Soviets must consider that u.S. attack submarines can be diverted from these duties to trailing and threatening their missile-carrying submarines).

D. MX

1. Aviation Week gives the Circular Error Probable (CEP) with which the MX could deliver Mk12-A warheads as 300'. Is this accuracy not considerably greater than that of a Minuteman III missile?

2. It is reasonable to assume that the MX could deliver Mk12-A warheads without fratricide, with 85% reliability, and with a systematic bias error of 300'. This would give a kill probability of over 87%, for even a silo as hard as 5000 psi, if one silo was attacked by 2 warheads. Why is a missile with the hard-target-kill capability of MX needed, in the numbers projected?

3. What is the rationale for producing the MX, which is capable of destroying Soviet land-based missiles in their silos, given the fact that any Soviet ICBMs not used in a Soviet first

strike could be launched as soon as a U.S. retaliatory strike was detected?

4. Doesn't a U.S. submarine-based missile of the present size and accuracy already provide the U.S. with the unambiguous ability to retaliate against Soviet cities or industrial targets, in the event of a Soviet first strike?

5. Couldn't the Soviet Union construe the deployment of MX missiles as a step towards a U.S. capability to strike first and prevent the Soviet Union from being able to cause comparable amounts of damage in retaliation?

6. Given the limits to the reliability of any missile-attack warning system, isn't it extremely undesirable to deploy the MX, since the MX decreases the survivability of the Soviet nuclear deterrent and increases the motivation for the Soviet Union to adopt a launch-on-warning policy?

E. PERSHING II

Funds are requested for the Pershing II, a highly accurate land-based missile. The flight time of this missile from proposed bases in Europe to some soviet missile silos and command centers is under 10 minutes - far shorter than the flight time for a Soviet missile to hit any existing U.S. missile. As seen through Soviet eyes, the deployment of the Pershing II in Europe will threaten some of their missiles and command centers.

Why is the availability of the Pershing II to wage tactical war in Europe worth the destabilizing impact of deploying 108 Pershing II missiles capable of destroying Soviet command centers

and missiles in a first strike?

F. ELF

ELF is an antenna which can transmit orders, at extra low frequencies, to both attack submarines and missile-carrying submarines. If the Soviets struck first, ELF would presumably be one of the first targets destroyed; ELF would no longer be available to instruct U.S. missile-carrying submarines to retaliate.

But ELF does have a function if the U.S. strikes first: it could instruct U.S. attack submarines to destroy Soviet missile-carrying submarines. The Soviets rely on these submarines to deter a U.S. attack.

How can the Soviets perceive ELF to have any use other than U.S. first strike capability, since it almost certainly would not survive a Soviet first strike?

It can be argued that ELF has a second strike function if it constantly transmits a signal to U.S. submarines. The abrupt loss of this signal could be interpreted by U.S. submarines as a signal that ELF had been destroyed; the loss of transmission would thus be the signal to attack the Soviet Union. But the transmitter could also stop if its electric power supply accidentally failed. Under this scenario might an accidental loss of power to the transmitter result in a loss of signal to the submarines, and thus an accidental attack on the Soviet Union?

From: "Counterforce Issues for U.S. Strategic Nuclear Forces," Congressional Budget Office, Jan 1978

CHAPTER IV. U.S. COUNTERFORCE CAPABILITY

DETERRENCE AND STRATEGIC STABILITY

It is often suggested that the proper response to the growing Soviet counterforce threat is the development of a significant U.S. counterforce capability. The reasoning is that, even though U.S. forces surviving a Soviet first strike would probably be large enough to destroy Soviet cities, the United States would have few credible responses to a counterforce attack, since retaliation against Soviet cities would surely be returned in kind. Unless U.S. forces were capable of retaliation against the Soviet nuclear arsenal, the Soviet Union might be tempted to attack U.S. strategic forces, and especially the ICBM part of that force, in order to reduce U.S. options or shift the balance of strategic power against the United States. Such an attack might be particularly tempting if the United States had no way to respond in kind and if the Soviet leadership could convince themselves that U.S. leaders would never carry out the threat to destroy Soviet cities as long as U.S. cities remained intact. On the other hand, if a U.S. counterstrike against Soviet strategic forces could succeed in drawing down the Soviet arsenal to a level approximating that of the surviving U.S. force, then no advantage could be gained from a Soviet first strike against the United States. Thus, in an era of growing Soviet counterforce capability, deterrence may depend on U.S. acquisition of a second-strike counterforce capability. In recent years official Defense Department statements have hinted at a growing acceptance of such a second-strike counterforce doctrine.

> No opponent should think that he could fire at some of our Minuteman or SAC bases without being subjected to, at the very least, a response in kind. No opponent should believe that he could attack other U.S. targets of military or economic value without finding similar or appropriate targets in his own homeland under attack. No opponent should believe that he could blackmail our allies without risking his very capability for blackmail. 1/

1/ James R. Schlesinger, Annual Defense Department Report, FY 1976 and FY 197T, pp. II-4 and II-5.

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[CLERK'S NOTE.—The following statement was provided for the record by the director of governmental relations, American Baptist Churches, USA.]

STATEMENT SUBMITTED TO
THE SUBCOMMITTEE ON DEFENSE
OF THE HOUSE APPROPRIATIONS COMMITTEE

Robert W. Tiller
Director of Governmental Relations
American Baptist Churches, USA

August 1982

It is a simple truism that we live in a world dominated by enormous international tensions, a world never free from the spectre of massive war nor far from the abyss of economic and social chaos. Such observations do not spring from a profound new analysis. Our world has been dominated by such international tensions for centuries, has teetered often on the brink of chaos, has been plunged regularly into wars of massive killing and suffering, and has even witnessed some halting attempts to create a permanent condition of peace with order. The tensions, chaos, suffering and killing have not been the final word. The destructiveness of war has always been matched and overcome by rebuilding efforts, nationalistic aggrandizement has always been stopped before it could incinerate enormous portions of the globe, and there has been a widespread sense that periods of disorder and conflict would be succeeded by restored order and peace.

Now we must face squarely the reality that the world has been permanently changed and our perception of it must also be changed. Within the lifetime of every member of this subcommittee the old assumptions about postwar rebuilding and containing the destructiveness of war have been rendered absurd. It is no longer possible for us to assume the our civilization will survive and thrive again after a major war. It is no longer reasonable for us or our enemies to believe that waging war against adversaries will preserve a cherished way of life. The system is different now. It is quite possible that a war could be waged, lasting only a day or two, which would totally destroy major portions of this country's systems for communication, transportation, clean water, sewage disposal, food production, and health care. The rotting corpses, the

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screams of the dying, the roving hungry people and animals, the silent creep of radiation poisoning, the complete absence of social institutions or an economy — these are the things we must think about now so that we have a clear picture of what a nuclear war would do to our beloved country, and to many other countries of our fragile earth.

The horrors of Hiroshima and Nagasaki were very small and easily absorbed compared to the horrors which will be endured if several dozen or several hundred of today's nuclear weapons were unleashed by the Soviet Union, or Germany, or England, or China, or South Africa, or the United States. We know well what destructive capability is available to us, to our allies and to our adversaries. We know that nuclear weapons are available in such quantity and with such massive destructive power that they must not be used if we expect our civilization and our nation to continue, if we expect the cultures of the world to live on, if we expect our grandchildren to grow up and thrive.

A new phenomenon has been discovered by guidance counselors and poll takers in the past few years. All over the U.S. there are children who believe that they will not grow up, children 10, 12, 14 years old who believe that nuclear war will wipe them out before they reach adulthood. These children ignore their schoolwork, ignore their parents, frequently abuse drugs and sex, develop warped values and contribute to the decay of our society. But they are accurately reflecting the lack of leadership in our nation on this subject. It is a sad reality of our political, social and moral life in the United States that we have a leadership vacuum on the matter of war and peace. We need to recover the notion that we as a nation will have enough weapons for defense and enough nuclear warheads to retaliate if we must, but no more. Our country's Defense Department has become an Offense Department and no one has stepped forward to challenge that horrible transformation. Our national security is undermined again and again as more powerful and more

accurate missiles are deployed, threatening the uneasy peace of the superpowers. Most new weapons systems are not likely to increase our safety and security, even though they are marketed in such terms by military planners and industry lobbyists.

What our country needs now is the leadership of this subcommittee on this issue. You have an opportunity and a responsibility to slow down the rapid expansion of offensive weapons in the US arsenal. You can say a resounding "no" to the proposals coming off the Pentagon drawing boards which will further erode the flimsy peace we now enjoy. Several members of this Subcommittee have begun to exercise such independent leadership and you are to be commended for doing so. I urge you to draft a defense appropriations bill which is truly geared to defense, denying funds to unneeded and exotic new weapons which are designed to threaten our enemies and enhance our nation's offensive capability.

In December 1981, the General Board of the American Baptist Churches, USA, the major decision-making body for our denomination, passed a comprehensive resolution on military spending. It says, in part: "We view with dismay the growing reliance by many countries on military expenditures as a substitute for negotiations and diplomacy. . . . With the development of strategic nuclear weapons with first-strike capabilities, the assumption that mutually assured destruction will deter war has been supplemented by a dangerous new doctrine of limited nuclear war as a legitimate foreign policy option."

That resolution goes on to say: "We are alarmed at the enormous increases in military spending both planned and enacted into law by our own government. . . . In connection with each proposed military program and expenditure, no decision should be made until adequate answers to the following questions have been provided: What effect will the new program and expenditur- have on our

security, on potential adversaries, on inflation and the economy, on the increase in our national debt and on the social well-being of our own people?"

In the conclusion to this resolution passed unanimously by the denomination's official policy-making body, "the General Board of American Baptist Churches, USA, urges the Administration and Congress to examine closely each military program and expenditure, especially the cruise missile, the neutron bomb, the MX missile system, and the production of nuclear warheads, identifying and eliminating all weapons which destabilize the current military balance and needlessly escalate the arms race; . . . [and] urges the Administration to pursue peace (other than through military expenditure) with the same effort as is used in pursuing adequate military defense."

This resolution speaks eloquently and forcefully to the task of the Appropriations Subcommittee on Defense. As you begin markup on the appropriations for Fiscal Year 1983, please look carefully at each expenditure and each weapons program. The MX missile is a first-strike weapon which should not be built or deployed. When production of the extremely powerful and accurate MX is viewed in conjunction with the President's rejection of a no-first-use policy on nuclear weapons, the resulting picture is a chilling one indeed. Proceeding with the MX will decrease our national security, not increase it, because the MX is an offensive weapon, not a primarily defensive or retaliatory weapon. I urge you to eliminate funds for the MX.

The Trident II/D-5 submarine missile is another destabilizing weapon, not intended for defensive or retaliatory purposes, and I urge you to eliminate funds for it also. Pershing II missiles and ground-launched cruise missiles are also unable to provide increased security for us or our European allies, because those weapons are not an appropriate response to recent deployments by the Soviets; I urge you to eliminate funding for these weapons also.

Advocates of increased military spending often argue that such spending is good for our economy because it creates jobs. I urge you to reject these false and misleading claims. If we need a given program or system for defense, then it should be funded. If we do not need it for defense, then it should not be funded. Neither our economy nor international tensions will be helped by undertaking certain military expenditures because they might bring a few jobs to a given region. In fact, our domestic industries and our economy would be helped far more substantially by real job creation or programs of assistance than by the secondary effects of military spending.

I urge you to take a bold leadership stand, reviewing every request from the armed services very carefully. Please think through with great caution and care the implications of each expenditure and program, rejecting those which are offensive and destabilizing, funding only those which are truly necessities for defense or retaliation.

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[CLERK'S NOTE.—The following statement was submitted for the record by the St. Augustine Seeds for Peace.]

St. Augustine Seeds For Peace
P.O. Box 906
St. Augustine, Fl. 32084
August 22, 1982

Chairman Addabbo
Defense Subcommittee
House Appropriations Committee
House Office Building
Washington, D.C. 20515

Dear Chairman Addabbo,

Millions of people the world over are demonstrating to show their governments that they want their leaders to stop the arms race. These three questions of Norman Cousins's make their case:

1. If the U.S. builds an additional 17,000 nuclear weapons, will not the Soviets respond in kind?
2. If they do, will we be more secure?
3. If not, isn't it time to begin the nuclear disarmament process?

On behalf of St. Augustine Seeds For Peace, I ask you to use your good office to begin this process now. Do not increase the defense department budget. Do not fund the MX, the B-1 bomber, or any chemical weapons research and development.

Sincerely,
Colleen McCarthy

Colleen McCarthy

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RE: Testimony from ST. AUGUSTINE SEEDS FOR PEACE to be presented to the DEFENSE SUBCOMMITTEE, House Appropriations Committee, on the FY83 Department of Defense Appropriations Bill.

We are most grateful for the opportunity to submit testimony to the Subcommittee. The reason for our entire existence as a group is to reduce the growing international insecurity and suffering we observe.

In times such as these, where international policy posture is expressed by whether or not our President smiles at a visiting foreign state official and top administration officials are weary of lack of political direction, it seems to us critical that a broadly constituted body, such as yours, attempt to reflect the ideals and actual needs of the people you represent. Moreover, you must attempt to reflect in your vote on an issue of such importance the needs of all peoples - the needs of survival of our human race.

Whether in complete good faith or not, history portrays all our administrations, with the exception of this one, to be committed to the effort to arrive at some rational and comprehensive understanding with the other nuclear powers regarding the testing, production, and deployment of nuclear weaponry. With this administration, we have portrayed the image of a nation "holding the big stick". We seem set on ceasing negotiations and dialogue. The talks our nation does involve itself with are, to our view, hardly taken in earnest; their effect is merely harsh provocation and hideous propaganda.

Yet overwhelming evidence of military might gives us today a unique parity with the Soviet Union in terms of destructive potential deterrents. To not take advantage of such a position is tragic. To not take advantage of this time is to lose an opportunity that may not be tangible again for years, or even ever. After considerable study, our group reaches the conclusion that not arriving at satisfactory bilateral terms is analogous to continuing U.S. armament development programs which, because of their nature, inevitably will collapse the existing military balance. The loss of military balance might indeed be costly; we risk losing everything that has ever been created by humankind's intelligence and labor. We risk the disappearance of humanity from the face of the universe, and with it the dreams and noble hopes of obtaining greater justice, well-being, and happiness.

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Appropriations for Navstar GPS, MX, Trident II, cruise missiles, SSN's, B1 bombers, and so forth, will ensure the breakdown of balance. It is crucial that such projects be blocked by you, since these proposed weapons appropriations imply giving the United States first strike capability - something ultimately far too costly. Members of St. Augustine Seeds for Peace have studied the weaponry and examined the implications that production of these new military technologies would involve. We reach a single conclusion: the United States, together with all other nations on our planet Earth, will be safer from nuclear destruction without such systems as are now under question. It is crucial for all of us to do our utmost to not only preserve the delicate strategic balance, but to also safeguard survival and life as we know it by doing everything in our power to reduce existing nuclear stockpiles and approach fellow human beings, be they black, white, yellow, or even red, with our willingness to live together and assure peace.

In our analysis, the proposed appropriation does nothing other than give the United States increased counterforce capability. This in turn inevitably compels the Soviet Union to adopt a "launch on warning" deterrent policy to safeguard her present deterrent. It is up to involved, aware citizens all over the world to accentuate the danger involved in creating an "opponent" with a "launch on warning" policy towards us. Furthermore, the actual first strike theory must certainly never by adopted!

Respectfully submitted,

Jo McIntyre

Jo McIntyre
Representative of
St. Augustine Seeds for Peace

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[CLERK'S NOTE.—The following statement was provided for the record by the EDO Corp.]

EDO CORPORATION

August 24, 1982

EDO CORPORATION TESTIMONY
TO DEFENSE APPROPRIATIONS SUBCOMMITTEE

Mr. Chairman:

My name is Frank A. Fariello. I am President of the Government Systems Division of EDO Corporation and a Corporate Director. My purpose in making this statement to the Committee is to seek your support for legislative reforms and initiatives which will allow American industry the opportunity to fairly and effectively compete in the arena of international sales.

EDO Corporation, founded in 1925 at College Point, New York, is currently doing business in New York, Texas, California, Utah, Kansas, and Connecticut. While our Corporation has a diversified product line, the majority of our corporate sales are Defense products for both the United States and friendly foreign nations. To be specific, in 1980, over $66 Million of EDO's $113 Million of Corporation's sales were in Defense products. We project that in 1982, Defense systems will be even larger. Of the above percentages, a significant portion were international sales which were a mix of both direct commercial sales, and Foreign Military Sales (FMS) through the U. S. Government.

The foreign policy benefits of such sales, i.e., strengthening our allies, Base Rights Agreements, Treaty Commitments to NATO and others, etc., have been discussed at great length in the past by those more qualified on these issues than myself. I would like to approach the matter from a different viewpoint which should be of particular interest to the members of the Appropriations Committee as well as all members of Congress. That is, the real rate of return to the United States Government in dollars and cents from international sales by U. S. companies.

This rate of return has been recognized by the Government of other countries against which we compete today. Governments are providing export support, including below-market, government-subsidized financial packages, which in the existing worldwide economic climate are extremely attractive. Often the client tends to ignore other factors making his selection almost exclusively based upon the financial package.

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On the other hand, U. S. companies, particularly ones engaged in defense business, operate largely without U. S. Government support on the international market. Current FMS financing terms, when available, are little better than commercial financing. U. S. Embassy offices, which until recently were not allowed to discuss military sales with U. S. corporate representatives, remain understaffed and relatively inexperienced in providing assistance in any but the more routine FMS transactions.

EDO Corporation's most recent experience with this type of competition was in a South American country where we had won a previous international sonar competition in the early 1970's. Since that time, we have maintained excellent relations and the equipment performed very well. Despite having such a favorable position, this year EDO was displaced as the prime supplier of surface-ship sonars by a European company which was able to offer extremely attractive financial terms subsidized by its government. We have information that Honeywell, Hughes, and General Electric, have encountered similar problems.

To put the problem in perspective, the following are some typical packages we encounter:

a) Concessionary financing - typically 6-7 3/4 percent (current offerings) 3-5 years grace period, 7-20 years payment;

b) Active marketing support by experienced military and government officials, including direct attache assistance, ship visits, etc.;

c) Political-economic support and linkage to broader bilateral programs including off-set trade agreements and government assurances that equipment delivery will not be affected by changing government policies.

Having stated the problem, let us examine why the Congress should consider increased assistance to U. S. industry in the international marketplace.

1. Jobs:

According to Department of Commerce figures, approximately each $32,500 of export results in a job for someone in the United States. On an overall basis, the U. S. trade merchandise deficit in the years 1977 to 1981 averaged about 28 billion each year. That means roughly 900,000 unemployed in the U. S. each year between 1977-1981 could have been productively employed by eliminating the merchandise trade deficit. The above figures relate to all jobs both agricultural and manufacturing. It can, therefore,

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be concluded that for manufacturing, the number of jobs per dollar of sales is higher. In a recently released study by the Conference Board, based primarily on U. S. Commerce Department data, nearly 80 percent of all new manufacturing jobs created in the U. S. between 1977 and 1980 were linked to exports. Of course, we cannot say that the whole unemployment problem is caused by lack of international sales. But clearly, increased international sales will play a major part in helping alleviate the situation! I do not have the figures on what net revenues result from increased employment. I am sure these are readily available to you from the Labor Department. It is obvious however that the improvement in the overall economy, by reduction of unemployment, will reduce local and federal welfare related expenses, increase tax revenues both from employed individuals and flow down tax revenue as a result of increased individual expenditures.

2. Lower Prices to U. S. Government

I do not know of any U. S. manufacturer who sells Defense products who does not sell the same or similar products to the U. S. Government. Therefore, if the foreign business base of these manufacturers decreases, then the fixed costs of manufacturing would have to be absorbed over a smaller base, therefore, increasing the price the U. S. Government must pay for the same end items. Or putting it another way, international defense sales decrease the cost of equipment for the U. S. We have conservatively estimated that if all international sales were eliminated for a representative military manufacturer who has a 70/30 split between U. S. Government/International sales, prices would have to be increased to the U. S. by 15 percent - a meaningful amount.

What can the Congress do to help? The broad answer is that Congress should look upon a large scale financial assistance program aiding U. S. industry competing for international sales not as a "give-away" program, but rather as one representing an investment in American industry which will yield a much higher rate of return than is apparent.

Specifically, the Appropriations Committee should support legislation to stimulate international sales by defense suppliers:

- Increased funding in support of the International Security and Development Corporation Act
- Expansion of guaranteed loans to Third World countries, particularly in our own hemisphere where foreign competition is very acute and the financial situation critical.

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- o Establish a fund of FMS direct credits to be made available on a case basis to counter concessionary foreign financing.

- o Adopt a more liberal attitude on R & D recovery on FMS sales to stimulate sales.

Congress can help by passing the legislation on Export Trading companies. This would permit U. S. companies to develop trade packages which would compete more effectively with foreign competition. In addition, Congress should change the law governing FMS loan interest rates, payback, and grace periods to make, when necessary, FMS financing more competitive with that offered by foreign governments. The Foreign Assistance Act of 1961 should be amended to permit the Export-Import Bank to finance defense products. Also, the Export-Import Bank should be an off-the-budget item. This would permit favorable term financing of export sales of defense systems on direct manufacturer/foreign government basis.

The information provided above is not unique to EDO Corporation. We are members of the National Security Industrial Association (NSIA) and American League for Exports and Security Assistance, Inc. (ALESA). Both organizations are actively studying this problem and will, in the near future, also be making recommendations to you which should be strongly considered.

Thank you for the opportunity to present these views which I hope will be helpful to you in your deliberation and future actions. I would be pleased to discuss this matter at greater length with any member of the committee or his staff if you so desire.

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[CLERK'S NOTE.—The following statement was provided for the record by the Women's International League for Peace and Freedom.]

TESTIMONY OF EVELYN S. MURRAY

of the WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM

for the HOUSE OF REPRESENTATIVES DEFENSE APPROPRIATIONS SUBCOMMITTEE

Submitted August 13, 1982

The Women's Interantional League for Peace and Freedom (WILPF) was founded in 1915. Our first president, Jane Addams, who served from 1915 to 1929, was also the founder of Hull House Chicago; helped Women to win the vote; and shared the Nobel Peace prize with Nicholas Murray Butler in 1931.

WILPF has a long history of opposition to Chemical and Biological Warfare.

The Women's International League for Peace and Freedom at its 1924 International Congress in Washington, D.C., urged that its Sections

1924 Appoint committees to investigate the development of chemical warfare and its special dangers, and to organize opposition thereto, both for the sake of ending it and as a means of educating the masses as to the real character of war in general.

The Women's International League for Peace and Freedom, U. S. Section, said in February 1968

1968 We view with horror that during these many years there has been an enormous increase in research in and development of chemical and biological weapons by our government or under government contract. We abhor the callousness and the erosion of morality of an increasing number of American scientists who are devoting their professional lives to the development of such weapons of destruction.

We call upon the leaders of our government to take immediate steps to transform all centers of research in and production of chemical and biological weapons into centers of research in and development of the means for eradication of hunger and disease; and to destroy all of its existing stockpiles of chemical and biological weapons.

We urge our government to ratify the 1925 Geneva Protocol outlawing chemical and biological warfare, and to work for an international agreement banning the manufacture and use of chemical and biological weapons.

In 1968, the following petition was circulated-(1)

" Dear Congressman:

Are you aware of the fact that in the state of.....(names of states involved were inserted) research and/or manufacturing of dangerous biological and chemical weapons is taking place, largely in secret. We urge that this operation and others be exposed in Congress and that plans for termination be introduced. We call upon you to use your influence on the military to urge that existing stockpiles of chemical and biological weapons be destroyed and that these installations be transformed into research centers for eradication of hunger and disease. We also urge our Senate to ratify the 1925 Geneva Protocol outlawing chemical and biological warfare, which has already been signed by 42 countries. Such action would help to restore the moral leadership of the United States in the world."

WILPF gathered signatures in '68 and '69 and delivered them to President Nixon who shortly after taking office directed a comprehensive study of CBW. On Nov. 25,1969, President Nixon issued a statement which in effect, renounced further production of biological weapons and warfare and directed the DOD to make recommendations for disposal of existing stocks. His statement concluded with these words (2) "These important decisions which have been announced today, have been taken as an initiative toward peace. Mankind already carries in its own hands too many of the seeds of its own destruction. By the examples we set today, we hope to contribute to an atmosphere of peace and understanding between nations and among men."

Other nations followed our example. On April 10, 1972 the BIOLOGICAL CONVENTION ON THE PROHIBITION OF THE DEVELOPMENT, PRODUCTION AND STOCKPILING OF BACTERIOLOGICAL(BIOLOGICAL) AND TOXIN WEAPONS AND THEIR DESTRUCTION was signed at Washington, London and Moscow.

In the interval between Nov. '69 and April '72, while the U.S. was following this directive, the Soviet Union and other nations still maintained stockpiles of biological weapons. We were not subjected to their use. In other words, this Unilateral Ban was a deterrent that worked.

At the time of the 1969 BAN, President Nixon also urged the ratification of the Geneva Protocol which had been initiated by the U.S. in 1925, but not ratified by us....." the Geneva Protocol was signed by 38 nations and ratified by 37. The United States, under pressure from the Chemical Corps,

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the American Chemical Society and veterans' groups, failed to ratify it". (3)

The USSR , one of the earliest to do so, ratfied the Protocol in 1928.

Unfortunately, Chemical Weapons were not included in Nixon's 1969 US BAN. The following statement, issued by the Union of Concerned Scientists pointed out the inherent danger in not banning Chemical weapons at the same time.

> "The new course which Mr. Nixon has charted for America's CBW policy and the general tenor of his message are very encouraging, particularly with regard to germ warfare. But further white-house commentary revealed an important shortcoming in the new policy. According to an AP report, ' White House sources said that in renouncing first-use of incapacitating chemicals, Mr. Nixon was not talking about tear gas, herbicides or riot control agents. These will continue to be in the American Arsenal.' ..... many nations recognize the difficulty in distinguishing between lethal and non-lethal chemical weapons, and condemn the use of all such weapons. The routine and massive use of "non-lethal" tear gas and herbicides by U.S. forces in Vietnam erodes the barriers to the use of all forms of chemical warfare and encourages other nations to develop a capability for their military arsenals.
> Nations which have acceded to the Geneva Protocol generally consider it to prohibit all gas warfare. If the United States ratifies the Geneva Protocol without also renouncing the first-use of non-lethal chemical weapons, the scope and influence of the Protocol will be seriously diminished.
> Thus, unless prompt adjustments are made, America's new policy on chemical weapons may be counter-productive, and could actually increase the likelihood of chemical warfare." (4)

Had the US accepted the broad interpretation and ratified the Protocol then, we could have avoided the debacle that followed.

The use of millions of pounds of riot control agents and herbicides in Vietnam-- resulting in vast devastation of crop land, fruit trees, forests, ecological upheaval, damaged human fetuses and contaminated animals and humans are only part of the price the world is now paying for US reluctance to ratify the Geneva Protocol and halt the use of chemical agents.

Recent studies and evidence has surfaced that indicate the extent of suffering within our own veteran groups who were involved in the use of AGENT ORANGE.

> "The V.A. says about 10,000 veterans thus far have filed AGENT ORANGE DISABILITY CLAIMS" (5)

A long, bitter and exhausting battle with extensive hearings, led by Senator Fulbright of Arkansas was waged in the 91st and 92nd Congress for the ratification of the Protocol. One of the heroes in this fight was Senator Humphrey, who realized the need for including ALL chemical weapons. In conclusion his #154 resolution said

> Resolved, That the Senate supports a broad interpretation of the Geneva Protocol. In so doing it recommends that the US be willing on the basis of reciprocity, to refrain from the use in war of all toxic chemical weapons whether directed against man, animals, or plants. (6)

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The devastation and contamination caused by use of chemical weapons has not stopped with destruction in SE Asia, nor with US veteran suffering, nor with ratification of the Geneva Protocol.

Right now, the people of Denver and Colorado are in danger from contamination which is found in Rocky Mountain Arsenal and the surrounding area due to toxic chemical and nerve gas waste which has been leaking out of holding ponds. Little is known outside their state of the extent of pollution that now exists in the wild-life and soil near Stapleton airport--- to say nothing of the threat to the water supply of Commerce City. Because of Stapleton Airport's cramped and strained facilities, they wish to expand onto property which is available from Rocky Mt. Arsenal. Before safely doing so,they are asking the Federal Government to clean up this contamination. Apparantly a battle is now raging as the Fed. Gov't says Denver and Colorado must foot the bill.

We concur with Senator Hart's statement,

> "Colorado shouldn't pay. The federal government has used the Arsenal for over a generation and it is responsible, along with private contractors, for whatever contamination exists.
> " The principle is clear- he who has polluted should pay to remove the pollution." (7)

This is not the first case of military chemical pollution. Among other examples, may be cited the following--

> " The army discovered in 1956 that toxic sewage from Pine Bluff Arsenal had contaminated a stream that ran from the base to the Arkansas River. Rather than attempting to curb the flow of pollutants, the Army quietly bought the land adjacent to the river and kept livestock away so no one would notice that the stream was polluted." (8)
>
> In Utah, in 1968, 6400 sheep died from a testing accident 47 miles from the spot where they were grazing. " The Army initially denied any responsibility for the deaths and only after a year had passed and $500,000 had been spent on investigations did they concede that the deaths were due to nerve gas." (9)

WILPF feels that the examples cited as well as many other studies have revealed irresponsible behavior on the part of the Chemical Corps and Chemical industries involved in the manufacture of Chemical weapons, lethal and non-lethal.

WILPF deplores the present push to include the production of more new Nerve Gas in the Binary form and considers it an affront to our National integrity to say nothing of the violation of the SPIRIT and meaning of the hard won ratification of the Geneva Protocol.

Long, difficult negotiations with the US SR where Soviet agreement to the principle of ON SITE INSPECTION was practically assured, have lapsed with the Carter administration, and have not been resumed.

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To summarize- WILPF urges the broad interpretation of the spirit of the Geneva Protocol, which discourages any further stockpiling of lethal chemical weapons, Binary or otherwise.

WILPF recommends stopping the funding of research, development and production of Binary Nerve Gas weapons.

WILPF urges an immediate resumption of negotiations with the Soviet Union in good faith, to produce a verifiable Ban with ON SITE inspection.

In absence of negotiations WILPF heartily recommends a Unilateral Ban on Chemical weapons, prohibiting production, research and development, stockpiling and use of all forms of war gas, including the "Binary Weapon", just as germ warfare was banned in 1969. We urge immediate detoxification and destruction of war gas on site, using methods monitored and approved by the U.S. Environmental Protection Agency; destruction should be witnessed and continuously inspected by a team of UN Origin.

References-1. Petition --Women's International League for Peace and Freedom
2.- Press Release- White House Statement issued by President Nixon Nov. 25,1969
3.- Union of Concerned Scientists- Nov. 16,1969- CBW
4. Ibid (3) p 7
5. AGENT ORANGE- David Zimmerman- American Health Vol I,No. 1
6. The Geneva Protocol of 1925 Hearings before the Committee on Foreign Relations, United States Senate, Ninety-Second Congress 1st Session on Executive J, 91st Congress, 2D Session p.438,439
7. Denver Post 2-11-82
8. ibid (3) p.12,col3
9 ibid (8)

Submitted by--

Evelyn S. Murray

Coordinator, Nerve Gas Task Force

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[CLERK'S NOTE.—The following statement was provided for the record by the Madison Urban Ministry.]

Madison Urban Ministry
1127 University Avenue
Madison, Wisconsin 53715
(608) 258-0906

TESTIMONY TO THE SUB-COMMITTEE ON DEPARTMENT OF DEFENSE APPROPRIATIONS

FROM: DR. CHARLES D. PFEIFER
DIRECTOR, MADISON URBAN MINISTRY

As the debate continues over the proposed Federal budget, I wish to express my concern about the increased monies allocated for military expenditures on ever more destructive weapons systems and the decreased allocations for programs for people, particularly people with little power and financial resources in our country. I am concerned that the huge sums allocated to the military are providing that branch of the government with a blank check to continue the arms race with its ever-present threat of nuclear holocaust and world wide destruction. In addition to fueling this arms race, the large sums going to the military come at a great cost to the poor among us.

Cuts in Social Service programs, notably in the child nutrition programs, food stamp benefits, rent subsidies, and medical aid programs, add to the burden encountered by great numbers of Americans who are experiencing economic hardship. Already one can see the results of these program cutbacks in the Madison area, a relatively affluent community. Numbers of area food pantries located in churches have been depleted during the summer months. This is unusual with summer produce available. In the past, shortages have developed only in the winter. In my work with people living in low income complexes I have noted increasing despair and depression among residents, who often find the food supply depleted by the 20th of the month, and who find available jobs virtually non-existent. (Recently a local discount store, Shopko, advertised 300 job openings for a new store opening this fall and within a month they had 2000 applications for these jobs. This week 700 people applied for a single janitorial job in the Madison area.)

Since it is summer and the weather is warm, the 250 homeless people on any given night here can sleep in parks. When winter comes the brutality of their existence will again become painfully apparent. Last winter, in our affluent community, a man was found frozen to death in the cab of an unlocked pickup in the downtown area where he sought shelter for the night. The entrance ways to public buildings had been locked to discourage homeless people from seeking shelter in these public spaces. People living in subsidized housing face the prospect of increased heating and rent bills due to Federal program cuts. These increased cuts will cut further into the meager monies available for food and clothing. In Washington these may be only statistics; in Madison they reflect the situations of real people.

I think it is time that monies are returned to programs for people. Our country cannot survive on stockpiling of weapons when people are sick, hungry, wounded, and frightened. The proposed Federal Budget, with

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heavy emphasis on weapons systems begs just such a scenario. The United States must seriously consider reduction in nuclear weapons and our dependence on military hardware for world stability. We must seriously consider offers from the Soviet Union regarding armaments limitations. We must open negotiations with the USSR on the possibility of a nuclear freeze. As you know, there are growing numbers of Americans supporting a mutual arms freeze between the U.S. and the USSR. Wisconsin has spoken for this through passage of State Assembly Resolution 18 and State Senate/Assembly Joint Resolution 99, calling for such a freeze. We will also express our concern about a nuclear freeze in a State Referendum on September 14.

I ask you, is it not better to work for peace and nuclear disarmament than to continue fueling the arms race? Is it not better to use our resources to provide for the people of this nation and the world rather than to pour our dwindling resources into military hardware?

Please vote to reduce the expenditure for military appropriations and to resume established programs for people. Thank you for your attention to this matter.

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[CLERK'S NOTE.—The following statement was provided for the record by the Specialty Steel Industry of the United States.]

BEFORE THE

SUBCOMMITTEE ON DEFENSE

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

STATEMENT

OF

THE SPECIALTY STEEL INDUSTRY
OF THE UNITED STATES

Of Counsel:

COLLIER, SHANNON, RILL & SCOTT
1055 Thomas Jefferson St., N.W.
Washington, D.C. 20007
(202) 342-8400

August 27, 1982

The Specialty Metals Buy America Amendment Should Be Retained

Section 723 of the FY 1982 Department of Defense Appropriations Act includes a provision requiring that DOD purchase domestically produced specialty metals. Exceptions to the general rule are provided when satisfactory quality or sufficient quantities of domestically produced specialty metals are not available, or in emergency conditions.

Similar language has been included in the DOD appropriations bills since 1972. Beginning with the Act for fiscal year 1978, however, provisions were added permitting a waiver of the Buy America requirements in order to help achieve standardization and interoperability objectives for NATO, and to comply with bilateral "offset" agreements.

Last year, Congress decided to remove the waiver provisions and return to the wording of the original legislation. Since the Congressional action was taken, the Department of Defense and a few defense contractors have urged that the waiver provisions be added again.

The domestic specialty steel industry urges that the Buy American language be retained without the waiver provisions, for the following reasons:

1. <u>The Specialty Steel Industry is Essential to the National Security.</u>

The Buy America provision is as necessary to the domestic specialty steel industry and to the national security as it was in

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1972 when the language was first included in the Defense Appropriations Act. Various studies, including one by the United States Senate Armed Services Committee, have found that the specialty steel industry is essential to the national defense. The Buy America amendment helps permit the industry to conduct the extensive research necessary for continued American weapons superiority. The effectiveness of modern weapons is directly related to the effectiveness of the metals used to produce such weapons. "Specialty metals" includes a broad variety of metals used in making defense equipment. A list of examples is attached as Exhibit A.

2. Foreign Specialty Steel Producers Use Unfair Trade Practices in Selling to the U.S.

Domestic specialty steel producers must often bid against foreign producers whose prices do not reflect even their costs of production. Trade in specialty steels in the U.S. marketplace has been characterized by endemic dumping and foreign government subsidization. In many cases the unfairly traded specialty steel comes from countries in the NATO Alliance -- the very countries which would benefit under the proposed waiver provisions in section 1129 of the Defense Authorization Bill, S.2248. Belgium, Britain, France and Italy have been shown to be unfairly subsidizing in section 301 actions pending before the U.S.T.R.; French and West German producers have been shown to be dumping specialty steels in the U.S. market in three separate antidumping cases pending before the Department of Commerce and the International Trade Commission. Spain, which is considering joining NATO, is

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heavily subsidizing its specialty steel industry, and its exports to the United States are the subject of a countervailing duty case.

The domestic specialty steel industry has been severely injured by these unfair trade practices and faces the potential of disastrous financial failures if these practices are not halted. Bethlehem Steel has recently ceased production of tool steels; Colt's Crucible plant in Midland, Pennsylvania, is closing soon and has been for sale since early this year; and Guterl Special Steel Corporation filed for reorganization under the bankruptcy laws. Each of these firms cited unfairly traded imports as a principal cause of their problems.

The Department of Defense should not be allowed to "legitimize" the unfair trade practices of our NATO allies under the rubric of the waiver provisions when the domestic industry is being victimized by trade which violates U.S. law.

3. Procurement of Foreign Produced Specialty Steel Causes Significant Losses in U.S. Tax Revenues

Approximately 55 percent of any domestic purchase by the U.S. Government is recaptured by federal, state and local governments in taxes. When specialty steel is procured abroad, all of these tax revenues are lost along with the benefit to the U.S. economy. Consequently, the taxpayers actually wind up paying more for foreign procured specialty steel.

4. A Congressional Committee Found that the Waiver Provisions Did Not Work.

A study by the Special Subcommittee on NATO Standardization, Interoperability and Readiness of the House Armed Services Com-

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mittee concluded that the waiver provisions have not worked in the interests of the United States. (See HASC-95-101.)

In its Findings and Conclusions, the Subcommittee report stated:

- The "Culver-Nunn" Amendment to the Defense Appropriation Authorization Act of 1977 is subject to confusing interpretation by some in the Department of Defense, and that which is not understood cannot be implemented.
- The basic rationale for arms cooperation is that it will reduce duplication and increase efficiency of defense expenditures. There are only vague estimates that support such a conclusion, while data derived from actual case experience seem to contradict it.
- It is unlikely there will be significant cost savings realized from arms cooperation . . . the potential savings are purely theoretical.
- The term "two way-street" as applied by Europeans and some U.S. defense officials is a political device to secure economic benefits for European industries and often has little or nothing to do with enhancing military effectiveness.

In its Recommendations, the Subcommittee concluded:

- The use of government-to-government agreements should be minimized.

5. <u>The Waiver Provisions Were Used by DOD to Undermine the Intent of Congress.</u>

While the waiver provisions were not effective in accomplishing their intended purposes, the provisions were used as a major loophole to undermine the intent of Congress. Attached as Exhibit B are just a few examples of the use of the waiver provisions by DOD. In these cases, foreign specialty steel products were purchased by our government. These are merely examples, not an all-inclusive list.

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In fact, the waiver provisions were used at every opportunity to purchase foreign products. Instead of using the language judiciously for exceptional circumstances, the waiver provisions were used extensively.

6. The Manpower Skills and Technical Abilities of the Specialty Steel Industry Must be Maintained for the National Defense.

The specialty steel industry is an essential part of the domestic mobilization base. There is an increasing awareness of the need to revitalize the U.S. industrial base, as is evidenced by the report entitled, "The Ailing Defense Industrial Base: Unready for Crisis," by the Defense Industrial Base Panel of the Committee on Armed Services, House of Representatives, 96th Congress, December 1, 1980. In order for this country to have the best and most cost-effective defense capabilities, we must have a strong specialty metals industry. We must have modern equipment, be innovative, have a strong research effort and an experienced, competent work force.

The crucial importance of the Buy America provision is that it assists the specialty metals industry to maintain its research and development in new metallurgical technology. Advanced metallurgy is essential to advanced weaponry. The continuing ongoing teamwork between the government, the primary defense contractors and the specialty metals industry must be maintained. The defense industry generally operates on the frontiers of new technology. Therefore, it requires materials meeting the ultimate in strength, toughness or resistance to heat or wear. These characteristics

make the materials difficult to forge, machine and cut. Such operations require specialized tool steel and high speed steels.

The specialty metals industry is by definition a high technology industry. This means it must stay on the cutting edge of new technology in plant, equipment and operations supported by the unique skills of our operating personnel and experience in research and development. Our equipment is the most modern and efficient in the world. Our research, development and manufacturing skills have been developed and honed over many long years. We cannot allow this valuable resource to atrophy or be dissipated. Such employees, if lost, seldom return and once lost, their skills take years to recreate.

Conclusion.

The domestic specialty steel industry and its workers strongly urge the Congress to retain the specialty metals Buy America amendment. Arguments that the amendment is administratively unworkable are inaccurate and unpersuasive. In fact, the same language worked well from 1972 until 1978. The current amendment is important to the national defense; it is critical to the domestic specialty steel industry.

EXHIBIT A

SPECIALTY STEEL
DEFENSE RELATED MARKETS

High Speed Steel - Jet engine bearings M-50; tooling to fabricate aircraft parts, guns, ammo, etc.

Tool Steels - Forging, extrusion, machining and cutting of high strength steels, super alloys, and titanium.

Stainless Steel - Fuses 416, 416F; naval reactor valves, pumps, components 304, 316, 316L, 348, 410; jet engine components 403, 410, 302, 310, 310S, 321, 347; fasteners - bolts, nuts, screws, fittings, rivets 303Se, 304, 316, 316L, 416, 431; and naval shipyards - 304, 316, 304L, 316L, 416, 410. Aircraft - structurals - 301, maraging steels, aircraft heaters - 309; Bearings - 440C.

Valve Steel - Reciprocating engine valves - various grades.

High Temperature Alloys - Jet engine fasteners - A286; airframe components AM355; naval reactor components - WF11, A286; jet engine components astroloy, Rene 95, WF-11, 16-25-6, Hastelloy A286, Greek ascoloy, Alloy 901, 16-25-6, Inconel 718; and gun barrels - CG-27.

Titanium Alloys - Airframe fasteners, airframe structures, jet engine blades and vanes, and jet engine and airframe fasteners; hydraulic tubing.

Alloy Bar - Naval reactors-special vacuum grades of 4340, 1026; Landing gear - vacuum melted grades such as 4340, 300M.

Examples of Use of Waiver of Specialty Metals Restriction in Procurement Actions by the Defense Industrial Supply Center

Date Issued	Item to be Purchased	Quantity - Lbs.
17 July 1980	Steel Bar, Corrosion Resisting	7,222
23 July 1980	Metal Bar, Steel, Corrosion Resisting	10,050
25 July 1980	Steel Bar, Corrosion Resisting, Hot Rolled	10,042
7 August 1980	Steel Sheet, Corrosion Resisting, Hot Rolled	2,043
11 August 1980	Metal Bar, Stainless Steel	26,310
25 August 1980	Steel Bar, Corrosion Resisting, Round	13,217
28 August 1980	Steel Sheet, Corrosion Resisting	19,580
28 August 1980	Steel Sheet, Corrosion Resisting	15,785
2 September 1980	Steel Bar, Corrosion Resisting, Heat Resisting	23,803
8 September 1980	Steel Sheet, Corrosion Resisting	22,342
11 September 1980	Steel Sheet, Corrosion Resisting	10,962
16 September 1980	Metal Bar, Steel, Corrosion Resisting, Hot Rolled Round	7,664
8 October 1980	Steel Sheet, Corrosion Resisting, Cold Rolled	11,986
8 October 1980	Steel Sheet, Corrosion Resisting	18,491
9 October 1980	Steel Sheet, Corrosion Resisting, Cold Rolled	86,121
20 October 1980	Steel Sheet, Corrosion Resisting, Cold Rolled	10,080

EXHIBIT B

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[CLERK'S NOTE.—The following statement was provided for the record by the Union of Concerned Scientists.]

Union of
CONCERNED SCIENTISTS

26 August 1982

Honorable Joseph Addabbo
Chairman
Subcommittee on Defense
House Committee on Appropriations
Washington, DC 20515

Dear Chairman Addabbo:

The Union of Concerned Scientists is opposed to the appropriation during fiscal year 1983 of any funds for the MX missile, whether those funds are for research, development, testing, and engineering, or for actual procurement of the missiles and their support equipment. Our reasons include:

The MX is a first-strike weapon. President Reagan is nervous about large Soviet missiles which may in the near future have the capacity to destroy a portion of our current land-based missile force. The MX have will the capacity to destroy Soviet land-based missiles, and so it too is a destabilizing weapon which could dangerously increase the chances of nuclear war. The Soviet leadership is apparently already considering adoption of a policy of launch-on-warning, which could lead to a disastrous hair-trigger decision to use nuclear weapons during a period of international crisis. The safety of the United States is not enhanced by the production of any of these weapons; rather, our goal should be the elimination of such destabilizing weapons from the nuclear arsenals of both nations, not their possession by both.

There are indications that the MX may require the amendment or termination of the U.S.-Soviet ABM Treaty. Numerous press reports indicate that an anti-ballistic missile system is seriously being considered for deployment along with the MX, and the Pentagon has briefed the Subcommittee on Defense of this possibility. Senate Armed Services Committee Chairman Tower has said that MX will not work without an ABM system. The ABM Treaty is a vital part of the structure of U.S.-Soviet arms control; to amend or abrogate that treaty would be a serious blow to the cause of nuclear arms control. Congress should not fund a weapons system, such as the MX, which may require the termination of one of the few successful arms control treaties, until the appropriate Committees have held

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hearings into the many possible consequences of that action.

The supposed "window of vulnerability" is based upon unrealistic claims about Soviet missile performance. The statement that the Soviet Union may at some time in the future be able to destroy a large portion of the U.S. ICBM force is founded upon untenable assumptions about Soviet ICBM accuracy, performance, and consistency, and upon a misunderstanding of the concept of "circular error of probability (which is actually a measure of missile targeting consistency, not accuracy). Even if these claims were true, the effectiveness of the U.S. nuclear deterrent capability would still be assured, since our land-based ICBM's carry only 25% of our nuclear deterrent, with at least 50% of our total deterrent based on invulnerable nuclear submarines.

Production of the MX would harm our chances for a successful arms control treaty with the Soviet Union. President Reagan, in a last-minute appeal for MX authorization, claimed that the United States "needs to secure the powerful leverage that a commmitment to produce the MX would provide as we begin" talks with the Soviet Union. Yet the President also stated that the U.S. would not give up the MX during those talks. In fact, there is not a single instance in the history of modern arms negotiations of a weapon in production being given up in the course of such talks. Numerous examples do exist of weapons which were produced in order to be used as "bargaining chips" and which are now part of the nuclear arsenals of both the U.S. and the U.S.S.R. If the United States truly wishes to use the MX as a bargaining chip, the Congress should defer production of the missile for at least a year, in order to allow the Administration the chance to trade the MX for an equivalent Soviet concession.

No permanent MX basing mode exists. The Pentagon has proposed or examined over 30 possible basing systems for the MX, including such esoteric ideas as placing it on dirigibles or "Big Bird" long-endurance aircraft, well as the now discredited multiple protective shelters (MPS). In the judgment of the Department of Defense, none of those systems would have aided the survivability of our ICBM force. The Administration intends to select a permanent basing mode by December 1, 1982. While the "DensePack" scheme now appears to the leading candidate for permanent basing, no information on or plans for DensePack have been released to the public or subjected to detailed scrutiny by any but Defense Department analysts. Some significant potential problems have arisen, but even these have yet to be examined in depth. The basic fact is that a survivable permanent mode has yet to be fully developed; the MX is a weapon without a home. The Congress should not commit

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itself to procurement of an incomplete system.

The MX is too expensive. Cost estimates range upwards from $20 billion; however, no one knows what the final cost will actually be, since no permanent deployment system has been approved. More importantly, however, as the Congressional Budget Office recently pointed out, the Defense Department has thus far neglected to include the MX in its Selected Acquisition Reports, which are designed to provide the Congress with up-to-date data on the cost and progress of all major weapons systems (defined as all weapons systems with RDT&E costs of $75 million, or production costs of $300 million). This omission again emphasizes the fact that the MX system is seriously incomplete.

In this time of tight budgets, and especially when the Committee on Appropriations must find ways to reduce the Administration's budget request by several billion dollars, cancellation of the MX program provides a perfect opportunity to cut defense spending without harming our national security.

Several aspects of the program as approved in the DoD Authorization bill are particularly indefensible. The original request for $715 million in RDT&E funds for the interim basing plan, for example, was transmuted into an authorization of $715 million for research and development of the permanent basing plan, an action which authorized funds for this purpose several times in excess of what even the Defense Department originally wished to spend. If the interim basing plan is discredited, then funds requested for that purpose should be eliminated, not transferred to another account in the hope that they will somehow be efficiently utilized.

While some Members may support the continued authorization of RDT&E funds in order to allow this work to continue, the actual production of the first five missiles could easily be "slipped" for one fiscal year in order to allow the Congress the chance to examine for itself the permanent basing plan chosen by the President. To do otherwise -- to approve production of the MX without knowing how and where the missile will be based -- would be to turn over to the Executive Branch the Congress's right to examine proposed weapons programs in their entirety before approving the expenditure of federal funds for those programs. At a minimum, the Subcommittee and the Congress should defer the appropriation of production and deployment funds until it has had a chance to analyze the permanent basing plan and to register its active approval or disapproval of that plan. Another alternative, placing temporary restrictions on the expenditure of MX funds as was done in the Defense Authorization bill, would not allow the Committee or the Congress adequate opportunity or time to fully examine the proposed basing mode.

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For all these reasons, the Union of Concerned Scientists opposes to the appropriation of funds for the MX missile program. It is expensive. It is a first-strike, destabilizing weapon. It would destroy our chances for a successful new arms control treaty with the Soviet Union. It could lead to the termination of the ABM Treaty. It is incomplete.

The MX is a flawed solution to a non-existent problem. We urge the Subcommittee on Defense and the full Appropriations Committee to eliminate all MX funding from the Defense Department appropriations request. To do otherwise would be a waste of the taxpayers' money and a crippling blow to the cause of effective nuclear arms control.

Sincerely,

Henry W. Kendall

Henry Kendall
Chairman

HK/dwg
cc: Members, House Appropriations Committee

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[CLERK'S NOTE.—The following statement was provided for the record by the Helicopter Association International.]

1110 Vermont Avenue, N.W. Suite 430, Washington, D.C. 20005 202 466-2420 Telex 89-615

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T.E. Dumont
Seaway Aircraft
Terry Jones
Peace Helicopters Ltd
Public Relations Advisor
Randy Funks
Soloy Conversions
Executive Director
Frank L. Jensen, Jr

June 21, 1982

Honorable Joseph P. Addabbo
U.S. House of Representatives
2256 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Addabbo:

On behalf of the Helicopter Association International (HAI) we are writing to advise you of the status of a matter relating to the continued viability of private commercial helicopter operators.

Last year, we brought to your attention the Department of Defense rent-free leasing of military helicopters to non-military customers — a practice which threatened to erode seriously the ability of the commercial helicopter industry to compete. Because helicopter operators are, for the most part, small, independent businesses for whom the introduction of even a few rent-free leased military helicopters into their markets can be economically damaging, this DoD action was viewed as unjustifiable by the Congress. (Attachment 1.) We very much appreciate your support in bringing this matter before the House Members of the Defense Appropriations Conference last year. As you may recall, language to correct this inequitable situation was included as Section 765 (Military Aircraft and Vehicles Leasing) of S. 1857, the FY 1982 Defense Appropriations bill. This provision was reported by the full appropriations committee and subsequently adopted by the Senate. As a result of your efforts, the House-Senate conference concurred in the Senate position on this provision with only minor changes.

As finally enacted in P.L. 97-114, Section 765A provides as follows:

> None of the funds made available by this Act shall be used in any way for the leasing to non-federal agencies in the United States aircraft or vehicles owned or operated by the

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Department of Defense when suitable aircraft or vehicles are commercially available in the private sector.

To implement this provision, the Department of Defense issued the attached directive on March 24, 1982, instructing all DoD component agencies to adhere generally to existing DoD transportation policy and, at the same time, to avoid specifically any of the undesirable effects on the commercial marketplace from leasing DoD aircraft and vehicles, which Congress intended to preclude in enacting Section 765A. (Attachment 2.)

While HAI is very encouraged by this directive and is pleased with the DoD response to date, we are concerned that, when the mandatory nature of this policy change expires at the end of Fiscal Year 1982, the DoD agencies will be free to revert to policies specifically prohibited by Congress in Section 765A and permit the undesirable anti-competitive effects to recur. Our concern is based on the fact that DoD is such a large bureaucracy, with so many operational levels, that to successfully communicate significant policy changes requires more time than has elapsed since the issuance of the DoD directive referred to above. To allow sufficient time for full implementation of the DoD directive, we urge you to consider reenactment of the language of Section 765A in the FY 1983 Defense Appropriations bill, which is currently the subject of hearings before your Committee.

We believe that this action is appropriate and necessary to convince fully the Department of Defense that the Congress continues to take seriously the need to marshall all available federal resources for federal programs and to eliminate anti-competitive practices that undermine the economic viability of the private sector. We will be pleased to provide any further information you may need on this matter and will be in contact with your staff to respond to any questions they may have. We respectfully request that this letter be included in the Subcommittee's official hearing record.

Thank you for your continued support.

Sincerely,

Frank L. Jensen, Jr.
Executive Director

Enclosures

cc: All Members of Defense Subcommittee

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[CLERK'S NOTE.—The following statement was provided for the record by the United Church of Christ Coordinating Center for Women.]

Marilyn M. Breitling
Coordinator
1400 North Seventh Street
Suite D
St. Louis, MO 63106
314-621-1117

CCW United Church of Christ
Coordinating Center for Women
in Church and Society

TESTIMONY FOR THE
HOUSE APPROPRIATIONS COMMITTEE

I am Marilyn Breitling, Coordinator of the United Church of Christ Coordinating Center for Women in Church and Society. The United Church of Christ is a 1.6 million member protestant denomination; the 32 member Coordinating Center for Women in Church and Society has a mandate from the denomination to address the concerns of women and eliminate sexism in church and society.

The mandate comes together in clear focus around the issues of the national budget and particularly in relation to defense appropriations. As the defense budget grows and grows, with ever larger appetite for our national resources, funds available to meet the needs of women and children are the target of larger and larger cuts. How many school lunches could be provided if we built one less tank? How many safe healthful day care centers for children of low income working families could be provided for the cost of one jet fighter? How many shelters for women and children who are victims of domestic violence and abuse could be opened, staffed and maintained for the amount of money that will be spent on producing nuclear warheads TODAY?

By far the greatest danger to women and children in our society today, and indeed to all humanity, is the spectre of nuclear war. By design or accident, the mushroom cloud of nuclear war looms in our future. As women, will we be able to realize our potential for intellectual and spiritual growth and human development under the shadow of imminent destruction? Will we be able to raise our children to be productive citizens in a culture consumed by fear of nuclear holocaust? Women are historically and traditionally seekers of peace. We have need to preserve life, not waste it.

National security is important; obviously the American people differ as to what constitutes security and how it is achieved. It seems clear, however, that a crazy, escalating arms race, which piles more weapons, rockets and warheads upon existing huge stockpiles does not make us secure. Our role in arming the whole world resullts in death and terror inflicted on women and children on every continent, and does not make us more secure.

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The huge increases in defense spending indicated in the budget will not make us more secure, and those increases will be paid for at the expense of economic and social programs needed to meet the needs of women, children and the poor. True national security will be realized when people are allowed to develop their highest potential, the vulnerable and defenseless are protected and cared for, and our national posture toward other nations is one of lowering the threat of annihilation, not escalating the arms race.

MMB/dw

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[CLERK'S NOTE.—The following statement was provided for the record by men and women who share concern for national security and international peace.]

A CALL FOR CLEAR THINKING
ABOUT
THE 1983 DEFENSE APPROPRIATION

The following statement is respectfully submitted to the Defense Appropriations Subcommittee of the House of Representatives Appropriations Committee. It is signed by men and women who share the Committee's concern for national security and international peace. They speak as individuals, associated with a group within the Arlington, Virginia Rock Spring Congregational Church of the United Church of Christ, who for more than two years have devoted themselves to the study of problems of peace and security. Their concerns are based on careful study and on the application of Christian conviction to the ethical questions involved.

We appear to register our strong opposition to the increase in the 1983 Department of Defense appropriation, believing that re-assessment of our security needs would permit major reductions in cost.

During the next five years every person in the United States of any age, sex or circumstance will, on the average, pay $6,956 for the defense portion of our National budget. By the end of 1986, at least 1.6 trillion ($1,600,000,000,000) Department of Defense dollars will be spent so that the United States will be second to none in destructive capability: able, in fact, to wipe out all of civilization several times over.

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As the country struggles with continuing inflation, deepening recession, and looming budget deficits, not only are vast sums appropriated for the current military build-up but Pentagon spokesmen even talk about preparing for a time when half of the gross national product (GNP) will be needed to fight multiple wars in all parts of the world. While an increasing number of Americans are outraged, as we are, that so much money is used for military purposes, many are accepting the administration's defense decisions because they have come to believe at least four military myths. These four myths are:

1. We can win a nuclear war.
2. Nuclear war can be prevented by having more and more accurate nuclear weapons.
3. The Soviets are militarily stronger than we are.
4. Defense spending is not inflationary.

One myth is that a nuclear war can be won by the superpower with the largest and most advanced military systems. The fact is that even with a first strike capability, neither power could immediately destroy enough of the other's nuclear arsenal to forestall an effective response. Both countries would suffer incalculable destruction not only of military targets but also of industrial plants, transportation systems, ports, cities and civilian population because military and military support targets are so widely distributed in each country and the range of nuclear blast, radiation, and fall-out is so great.

In any future war, whether it is a so-called conventional one fought according to the new "integrated battlefield" doctrine which would use infantry, tanks, artillery, air strikes, nerve gas, and nuclear tactical weapons; or whether it is an all-out intercontinental exchange with strategic nuclear weapons, there will be no distinction between combatant and non-combatant, between front line and rear and between military and civilian targets. Every man, woman and child, even the fetus in the womb will be in the front line of battle in all countries. There could be no victory! The most probable result would be the disintegration of all those physical and social relationships upon which the survival of the human community depends.

Reports from Physicians for Social Responsibility and studies coming out of Hiroshima and Nagasaki show that the germ cells in the ovaries of baby girls, teenagers, and women of child bearing age who survive exposure to direct or fall-out radiation will be damaged in such ways that future generations will suffer long and increasing effects as greater numbers of deformed and defective children are born. The irradiated germ cells of boys and men, whether soldiers or civilians, will also be damaged. Nuclear war will threaten the basic hereditary material of the human race. As Christians we believe that we have an obligation to nurture and protect all of God's creation from the still largely unrealized destructive possibilities of nuclear war.

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Date Issued	Item to be Purchased	Quantity - Lbs.
3 November 1980	Steel Bar, Corrosion Resisting	14,091
6 November 1980	Steel Sheet, Corrosion Resisting, Cold Rolled	50,112
18 November 1980	Steel Bar, Corrosion Resisting	10,042
18 November 1980	Metal Bar, Steel, Corrosion Resisting, Hot Rolled	10,050
21 November 1980	Steel Sheet, Corrosion Resisting	48,290
30 November 1980	Metal Bar, Steel, Corrosion Resisting, Hot Rolled Round	20,194
1 December 1980	Steel Sheet, Corrosion Resisting, Cold Rolled	21,872
2 December 1980	Steel Bar, Corrosion Resisting	42,983
8 December 1980	Steel Sheet, Corrosion Resisting	51,565
17 December 1980	Steel Sheet, Corrosion Resisting	71,845
18 December 1980	Steel Bar, Corrosion Resisting, Round	16,153
19 December 1980	Steel Sheet, Stainless	5,481
23 December 1980	Steel Bar, Corrosion Resisting	11,725
23 December 1980	Steel Bar, Corrosion Resisting	12,700
23 December 1980	Steel Sheet, Stainless, Cold Rolled	14,685
23 December 1980	Steel Bar, Corrosion Resisting	14,070
30 December 1980	Steel Sheet, Stainless, Corrosion Resisting	16,678
5 January 1981	Steel Bar, Corrosion Resisting	22,002

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A complementary myth is that even though no one really wants a nuclear war and many are ready to accept the fact that weapons technology has reached the place where any conventional war is likely to become a nuclear one, and agree that a nuclear war cannot be won; nevertheless, they argue that the best way to avoid war is to increase our nuclear arsenal with new warheads and more accurate missiles like the MX and Trident II. This myth is based on the notion that deploying first-strike weapons adds security through deterrence. But deterrence does not require several fold overkill, and security requires much less than that.

Even talk of additional nuclear systems is self-defeating. Any addition by us can only stimulate an addition by "them" and create an added chance for a false start and an added challenge for a first strike. Neither our shores nor our vital interests can be protected by nuclear force.

Undeniably, nuclear warheads are indiscriminate life-destroying devices. They are totally immoral in nature and, without question, will be mutually suicidal in effect.

Another myth is that the Soviets are militarily stronger than we are and that our national security is, therefore, in jeopardy. A factual view of the total situation does not bear this out. Since there is no way that the U.S. can attack the Soviet Union or the Soviets can attack us without involving the intervening European nations, the comparison must be between us

and our allies (NATO) and the Soviets and their allies (Warsaw Pact).

Although Warsaw Pact countries spend a larger proportion of their GNP for military purposes than do the NATO countries, NATO with 1.5 times as many people and 2.9 times as much GNP, actually spends 1.4 times as much on military preparedness as the Warsaw Pact. The Soviets and their allies have more tanks, other armored vehicles and heavy artillery, but NATO has 200,000 anti-tank weapons, 1.7 times as many strategic nuclear weapons, 1.7 times as many theater warheads and 1.5 times as many major surface warships. Overall, U.S. missiles are more reliable and accurate than Soviet ones. While the Soviets rely mainly on land based missiles which are becoming vulnerable to attack, the United States has a far larger portion of its warheads on invulnerable submarines at sea. In non-nuclear forces NATO has chosen to rely on fewer but more deadly and more accurate weapons. Overall, the United States and our allies have at least as much military power as our adversaries. The 1982 Defense Report so states. At present levels of overkill capabilities, any difference in military strength is insignificant as far as real security is concerned. The overwhelming danger is that -- through accident or design -- this enormous quantity of already existing lethal power will be used. We must insure that it is not.

A fourth myth is that military spending is not inflationary. Since World War I, military expenditures have been an important factor in building the national debt. That debt grew at accelerated rates in World War II, leaping upward during the Vietnam War and has continued to grow because of high peace time military budgets since then. A significant share of the one trillion dollar national debt we now have, clearly, was generated by the trillion dollars spent on war and defense during the decade of the seventies.

All military expenditures are essentially inflationary because directly or indirectly they end up as wages or profits without, at the same time, providing any goods or services which can be bought with that money. As military buying power competes for goods and services produced in the non-military economy, prices are driven up.

Facts like these led the late British economist Barbara Ward to write: "I have always wondered how it is that we have not based one of our approaches to disarmament on the appalling inflationary consequences of arms spending. It is to me a mystery why every time you get international bankers or international finance ministers together, they never once mention what was drummed into us day in and day out during World War II: that there is no more inflationary spending than that on arms."

It is unlikely that the present high rates of inflation can be brought under control if our military expenditures are

continued at present levels, to say nothing of increases. This inflation cannot fail to produce economic and social disorder which will hurt our people and undermine the very foundations of our security.

In conclusion, it is our conviction that the proposed military expansion is far beyond the security needs of our country; that military cuts are essential to reduce the huge deficits which are a drag on the nation's economic recovery; and that there can be no freedom from the fear of extinction nor assurance of survival of the human species as long as the probability of an atomic catastrophe grows with every increase in the United States Defense appropriation.

We don't presume to make technical choice for this Subcommittee, Mr. Chairman. But we are alarmed about plans to spend $23 billion on such weapons as the MX when we can't even find a basing mode for it. We are distressed that deploying the Trident II will force the Soviets to launch on warning. We are staggered by the report that 1981's fourth quarter cost overruns totalled $114 billion--more than the entire FY1982 deficit. We are appalled at the distabilizing effect the deployment of the cruise missiles will have since it will make verification impossible.

The defense budget is not a sacred cow. The only thing sacred on this earth is life itself. In providing for our common defense, we reject the Pentagon's mythologies and call for

sensible security policies that respond to real threats, that sustain our economy by controlling cost overruns, and that recognize the need for immediate verifiable and bilateral disarmament.

We urge the Congress to re-evaluate the exaggerated military posture which proposes both to increase nuclear weaponry and expand conventional forces in order to fight several wars simultaneously in various parts of the world. We believe that a realistic appraisal of our nation's role, our limited resources, and our security needs would permit a drastic reduction in the 1983 Defense Budget and at the same time enhance our national defense.

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Signed June-July 1982:
August

[illegible]	Margaret E. Fussell
Edward W. Schneider	Samuel Clark Cline
O. Jean Schneider	Catharine Peterson
Margaret B. Huntington	Roger C. Be
Emily C. Hazeltine	Felix M. Anderson
Sidney K. Shaw	Fred F. Wingfield
James B. Hunt Jr.	Charlotte Shaw
Patricia Watkins	Gertrude McGinley
Alice V. Anderson	James L. Rose
J. Kilpatrick	L. W. Beh
Wiletta B. Davis	J. D. Thompson
Taylor Fussell	Frederique Stapleton
Mary Lou Wall	Anita M. Mary
Louise P. Winfield	Eugene B. Schottelius
Steve Loftus	Anita B. Cline

7

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Signed June-July 1982:
August

Grace Cousins
Roberta M. Anderson
Carolyn Rapp
John O. Ellis
Charles W. McMahon
Jacqueline McMahon
Celeste Schmidt
Robert G. Schmidt
Frank Stanchfield
Linda S. Stanchfield
Phyllis S. Harrison
Robin Bairdi
Amy S. Lambkin
Robert L. Lambkin
Carol J. Bairdi

Jeanne B. Barrett
Robert M. Ruffel
Roberta H. Ruffel
Ellen Bozman
Richard E. [illegible]
[illegible]
[illegible]
[illegible]
Evelyn Anderson
Gayle S. Pinkham
Diana Judy Pinkham

7

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Signed June-July 1982:
August

Frances L Riggs

Edward C. Riggs

Joseph W Riggs Jr

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[CLERK'S NOTE.—The following statement was provided for the record by Nola L. Brown.]

Testimony submitted to the House Committee on
Appropriations
Subcommittee on Department of Defense Appropriations

This testimony is presented on behalf of Church Women United and the United Methodist Church. Both groups have official positions on nuclear weapons.

Church Women United, a national movement of Protestant, Catholic and Orthodox women, passed a resolution at their Executive Council meeting in the spring of 1982 endorsing the Call to Halt the Nuclear Arms Race, which urges the United States and the Soviet Union to promptly adopt a mutual freeze on all future testing, production, and deployment of nuclear weapons.

The United Methodist Church at their 1980 General Conference affirmed in their Social Principles that "We believe war is incompatible with the teachings and example of Christ. We therefore insist that the production, possession, or use of nuclear weapons be condemned."

Both organizations would like a freeze on all nuclear weapons, but I am today opposing certain categories of nuclear weapons - primarily those call "first strike" weapons. I oppose them because they have a destabilizing effect on the deterrence system we rely on for our security.

Security is fundamental. We all want a safe world for our children -
- a peaceful world
- a world of justice with the basic necessities for everyone
- a world without fear of a nuclear holocaust

Our Defense Department and our whole military system exists to make this kind of world possible. For that reason we have a strong well-equipped army and navy, big enough to provide security from attack, but each year the military budget needed to do this gets bigger and bigger.

In today's world with the cost of nuclear weapons pushing the military budget to new heights there are two dangers: (1) that social services will suffer and (2) that conventional systems will suffer. Robert McNamara (New York Times 5/25/79) spoke about the first danger when he said that a society can reach a point at which additional military expenditures no longer provide additional security. If military costs severely reduce resources needed for other essential investment and social services "it can erode security rather than enhance it. . . It is imperative that we understand this issue clearly. . . Security is fundamental. The point is simply that excessive military spending can reduce security rather than strengthen it."

Sen. Sam Nunn (Senate Arms Services Committee 12/3/81) is concerned about the second danger when he points out that if we allocate too much of our defense budget to strategic programs our conventional posture will suffer and that will decrease our options and might force us unnecessarily to resort to nuclear weapons in times of crisis.

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Nuclear weapons were added to our arsenal "to save lives" by bringing a quick end to World War II. Their purpose since then has been for deterrence. Governor Averell Harriman,(formerly ambassador to Moscow and undersecretary of state, Washington Post 11/4/81) stresses that nuclear weapons exist for one purpose only--to deter nuclear war. If used, they will be instruments of mass destruction, consuming the destroyer as well as the destroyed.

But now new nuclear weapons are being developed that are not weapons for deterrence. They are for the next step - a first strike.

What if the enemy thinks we won't use our nuclear power?
What if the enemy is not deterred?
What if our CIA, or our informers, or our computers say
that an enemy enemy has launched a strike?
Are they bluffing?
Is it blackmail?
Is someone insane?
How can we find out?
Should we wait to find out?
How long do we have?
20 minutes?

Questions such as these, plus new technology and the growing ability to build missiles with pinpoint accuracy is driving the United States and the Soviet Union into a dangerous new phase of the nuclear arms race. Both superpowers are building long and medium range first strike weapons which could tempt the owners, or frighten the adversary, into launching first in a crisis.

Gerald Smith, former arms negotiator, said the same thing before the Senate Foreign Relations Committee in 1981, "as the capabilities of weapons improve each side will feel stronger incentives to shoot first in a crisis, if it believes for any reason that the other side may be contemplating a preemptive strike of its own."

These new, increasingly accurate First Strike weapons

- the MX missile system
- the Trident II submarine-launched missiles
- the Pershing II
- the new cruise missiles

are not planned for deterrence. They will be aimed at missiles in their silos, or on the launch pads and therefore have to be used first. Thus in a crisis situation the temptation to "use-them-or-lose-them" could become unbearable.

The new United States cruise missiles present an additional difficulty. They are small, fast, low-flying, easy to conceal and difficult to track. Unlike ICBMs their numbers can't be observed from satellites and therefore any kind of verification from the point of view of arms control, will be difficult. "If the United States continues the development and production of cruise missiles, the USSR will be likely to follow suit in 5-10 years, and quantitative limits on the two sides will be impossible to verify." (National Weapons Freeze Campaign)

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These First Strike and destabilizing weapons should not be funded and now is the optimum time to freeze their further development, production and deployment because at the present time the United States and the Soviet Union have approximate parity and are in a position to negotiate. The Defense Department itself in its 1982 report states that "The United States and the Soviet Union are roughly equal in strategic nuclear power."

Senator Hatfield in a Senate Floor Statement on 3/10/82 describes the relationship between the two countries. "The United States and the Soviet Union have never been as strategically equal as they are today. Congressional testimony from military experts makes reference to 'rough parity' between the two countries. Moreover, this rough equality exists in a nuclear balance where neither side has yet acquired an effective first-strike capability. The new arms race will make mince-meat of the present strategic balance. This then is a moment of historic opportunity."

Let's take advantage of this "historic moment" as Sen. Hatfield calls it. Let's freeze these new weapons while negotiations take place. I'm asking this subcommittee to take the initiative in freezing them by refusing to fund them! It would be an outstanding response to the strong public outcry that has developed concerning all nuclear weapons and would be a signal to our negotiators and to the Soviet Union that we want serious nuclear arms control talks. There is greater security in nuclear disarmament than in continuing the nuclear arms race.

Nola L Brown

Nola L. Brown
Citizen Action Chairperson
Greater Washington Church Women United
and
Christian Social Involvement Coordinator
United Methodist Women, Baltimore Conf.
United Methodist Church

8/2/82

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[CLERK'S NOTE.—The following statement was provided for the record by Rev. Paul J. Weckle.]

Rev. Paul J. Weckle
Box 313
Pelican Rapids, MN 56572

House Defense Appropriations Subcommittee
House of Representatives
Washington, D.C. 20515
Attn: Ralph Preston

Mr. Preston:

I formally and humbly ask for permission to testify by letter to your subcommittee concerning the defense spending of our nation.

I am appalled and terribly saddened by our nation's recent effort to dramatically increase defense spending. This dollar increase for military spending is not the desire or will of many of the people in Pelican Rapids, Minnesota. The church community that I serve has also expressed its difficulty with such a tremendous increase in military spending and a likewise dramatic decrease in legitimate aid for the poor and needy. I cannot speak out for <u>everyone</u> in our church community but I do speak out of <u>my</u> deep concern over the injustices which are arising because of such an increase in spending for defense purposes. I ask you to reduce the military expenditures from its current high of $2.25 trillion dollars for 1981-1986, to a much more reasonable figure starting from a pre-1981 foundation, with increases being directly tied to the C.P.I. and never higher.

I would like to suggest the following changes and totally remove the appropriations for: the neutron bomb; the nuclear bomb; the B-1 bomber; binary chemical weapons; MX missle; cruise missle; and Trident submarine. I know that these suggested changes will dramatically change the military budget and free up enough dollars to balance the federal budget and have enough to reinstate labor intensive programs in health and education areas.

I am committed to a world without these weapons, and ask that

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you likewise take steps to eliminate these systems.

I thank you for including my letter and trust that you will listen to my request seriously.

Sincerely .

Paul J. Weckle

Rev. Paul J. Weckle

April 3, 1982

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[CLERK'S NOTE.—The following statement was provided for the record by Mrs. John M. Rush.]

March 30, 1982

Dear Ralph Preston,

I understand that your committee will be having public hearings soon. I will not be able to appear in person, but I want to be heard.

At our Quaker Meeting on Sunday—after our worship hour a young couple with a baby told us of your hearings and read to us sections of an article in The Washington Post. The young man reading the article by Roger Molander, "How I learned to Start Worrying and ~~Hate the Bomb~~"— could hardly keep back the tears as he read the words of the General who said, "You know, I called my kids last night. I never call my kids."

That young couple has a baby. They want to have a world for her to grow up in.

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You have no right to take that world away from her and all of the other children of the world and the unborn.

Our enemy is not the Russians. Our enemy is the Bomb. Our enemy is fear. The Russians fear us and we fear them.

Wouldn't it be one of the great ironies of the universe for the greatest "Christian" country on this earth to be responsible for demolishing it?

Please be another one of those in official positions who opens his mind to the truth and be willing to speak out though it jeopardizes your position.

You too may have loved ones — even little children or grandchildren.

Public opinion — world opinion may reach critical mass before we think.

Join us and let the world live!

Peace be with you,

Ann Rush

(Mrs. John M. Rush)

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[CLERK'S NOTE.—The following statement was provided for the record by H. Dale Turner.]

Statement for Presentation before
HOUSE DEFENSE APPROPRIATIONS SUBCOMMITTEE

In a brief review of the total volume of the hearings before the defense appropriations subcommittee, special interest groups--mainly weapons advocates--comprised over 90%, while broadly based citizen concerns that addressed security-defense issues amounted to less than 10%.

This constitutes an inversion of the concept that our governing process should seek to balance pluralistic interests for the benefit of the majority.

In this message, that of a deeply concerned citizen, I seek no favors, no funds, no special privilege of any kind. However, I believe these views do reflect those of many of our countrymen and, with that conviction, I urge your thoughtful consideration of this statement.

The current military related budget now consumes almost 60% of the funds congress has authority to allocate. Military programs have their roots in policy decisions that in turn rest on basic assumptions. To paraphrase Socrates; the unexamined assumption is not worth using.

The central thesis here is that the assumptions undergirding the Reagan Arms Program are fallacious. Phony reasons have been ballyhooed to frighten the people and Congress into docile acceptance of a Pentagon spending spree.

The Reagan Program for a massive military expenditure is based on two major assumptions: 1. The Soviets threaten us with superior military power, and 2. They are outspending us in an alarming military build up.

On this foundation enormous funds are dedicated to a five year arms expansion. Civilian programs are being sharply curtailed or abolished in a futile effort to reduce the total federal budget. As the deficit mounts, government borrowing sustains high interest rates.

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Housing, forest products and the auto industry are already devastated. As the high interest infection spreads through the economy, unemployment increases and business failure rates merit comparison with depression years. The economic distress signals from the United States are causing serious reverberations in Canada, Europe and Japan.

Both of these basic assumptions have evaded serious adversary debate in the halls of Congress. Yet critical analysis by arms experts, outside the sphere of government influence, conclude that if an imbalance in military capability does exist; it is in favor of the US-NATO powers rather than USSR and its allies of dubious loyalty.

In view of the vast overkill potential of both powers, to argue about a meaningless imbalance, while admitting the possibility of destroying all mankind, insults the reasonable citizen.

There is indeed a "window of vulnerability", it looks upon a very real threat to life on this planet.

The American people have been deceived repeatedly by political and military leaders about threats to our security. By manipulating our fears, playing upon patriotic urges of Congressmen, dispensing lush defense contracts, Pentagon bureaucrats have created an insatiable establishment whose prime concern is bureaucratic security rather than national security. The deception is compounded when many advances in weapons' technology have actually harmed rather than helped our nations's security.

President Reagan insists on verification procedures as a condition for arms talks with the Soviets. However, the planned deployment of ground launched cruise

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missiles in Europe--that are so easily concealed--makes a mockery of verification prospects.

Half truths, distortions, vented in the heat of a political campaign, are quickly forgotten when they don't affect pocketbooks. However, when sleazy reasoning forms the basis for a weapons program that saps our economy, creates hardship for millions while harming our security, the program's basic assumptions warrant critical, intensive debate in Congress. Such a debate has been conspicuous by its absence.

Examination of our military program fails to reveal a clear structural relation between these programs and genuine national security. The DOD mechanism is out of control because we have no cogent, concise statement of national security policy. Bureaucracy, like nature, abhors a vacuum and rushes in to fill the void to its benefit. Bureaucratic expediency has become the main, but disguised, determinant of weapons' programs. In the internecine struggle for Department turf, genuine national security needs are obliterated in the cross fire.

In the 50's and 60's "massive retaliation" was used to enforce our "foreign policy". This tactic was tenable when we had a monopoly on nuclear weapons. We tarnished our ideals and dedication to peace with justice by this expedient of Machiavellian quality. It assured a response in kind from the Soviet Union.

As monopoly intimidation faded to mutual deterrence and now merges into mutual terror, it is the people, rather than political leaders, who cry out in fear and anger against this insane Race to Oblivion.

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It is essential that all of us realize we have underwritten an infatuation with nuclear weapons as a technological fix in our quest for security and that this has simply not worked. Instead, we now face profound insecurity. Our children mirror the fears we try to deny. What can we say when they ask "Will I live to be old like grandma?" In our compact with this hideous genie sprung from uranium's nucleus, we have cast the shadow of death over the bright visions of tomorrow. The reality is a grim prospect of man dying by his own hand.

Military spokesmen and their industrial sycophants stridently insist that still more warheads, still more accurate delivery systems are needed for "national defense". The reality is that nuclear weapons, as instruments of national security, are a colossal failure. Each technological advance in weaponry has decreased our security. Extrapolation of weapons trends predicts that, by 1990, our national security will be nil and it will be guaranteed by a militaristic society shrouded in secrecy, where dissent is equated to treason.

In the FY 1982 Military Posture Report, the first six pages outline raw material needs of imported resources to USA/NATO. Dependence on oil and seven essential minerals is stressed. U.S.A. imports 50% or more of 32 critical minerals. It is clearly implied that military power is required to assure reliable access to these resources. Proof of this premise is notably absent. We get chromium and platinum from U.S.S.R. They buy U.S. wheat. Cuban troops guard refineries in unfriendly African nations that sell oil products to U.S.A. However, our friends in Canada, Mexico, Indonesia and the Middle East supply oil at cartel rigged prices that cost a typical U.S. homeowner about $1,500

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more per year for just the fuel he buys directly than oil from a free world market would.

A cartel price jump from $3/bbl to over $30/bbl since 1973 constitutes an aggressive assault on the industrial economies of U.S., Europe and Japan. U.S. military power is impotent to alleviate this assault. On the contrary, our military leaders advocate programs that will assure OPEC's right to continue this greedy gouging that devastates the third world even more than industrialized nations.

A skeptical citizen wonders whether U.S. security wouldn't be better served by investing in a government owned and operated liquid fuel industry, based on coal or natural gas, rather than a military program designed to stabilize oil rich political regimes half way round the world that spit on the world's economic distress induced by a ten fold increase in the price of oil. Our "police policy" in Viet Nam and Iran was a disaster. Is it wise to allow the military advocates of those plans to guide us now?

The proposed five year military outlays will cost the average tax paying family about $32,000. A prudent defense program--that would provide greater security, while reducing U.S./U.S.S.R. tensions--would cost about $8,000/family. This then is the bottom line difference between a program fabricated from fear and deception vs. a plan based on rational analysis of our security needs.

We learned from bitter experience in Viet Nam that overwhelming fire power cannot compensate for unpopular political power. Russia is confirming this lesson in Afghanistan. Regrettably, many of our military and diplomatic managers seem oblivious to these costly lessons. Such slow learners should be flunked out by the Congress.

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From these lessons we should fashion a cornerstone of policy: the right of people in foreign lands to choose their own form of political and economic systems must be respected. Our ideals of justice, fairness, respect for human rights must permeate the structure of our foreign commercial and diplomatic arrangements. We must emphasize peaceful relationships, not only because they are morally commendable, but because they also enhance our long term national security interest.

Acceptance of this policy in foreign relations negates the need for 400 overseas military bases. The U.S.A. role in the years ahead should be that of a gentle, persuasive, leader in the family of nations rather than Dodge City Marshall for the whole globe. We must reject nuclear weapons and massive military power projection as instruments of foreign policy--they have been colossal failures.

Adherence to the policy concepts outlined here will lead away from the brink of thermonuclear holocaust. These policies set the stage for restoration of health to our economy and, in time, will enable us to live our lives in peace rather than in fear of annihilation of all that we hold dear.

We must confirm our faith in democracy by reinstating its vigor in our own land. We must show courage of conviction that war is an obsolete way to resolve conflict. We must elevate and brighten the torch of liberty that symbolizes our nation. We must guide technology to enrich mankind, rather than threaten its extinction.

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As the momentum gathers in our drift toward calamity, we need to understand the genesis of our distress. A troubled President Lincoln, 120 years ago, said:

> "The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise with the occasion. As our case is now, so we must think anew. We must disenthrall ourselves."

His words speak to our times. I urge you, my fellow citizens in this Congress, to heed Lincoln's wisdom now.

H. Dale Turner

July 29, 1982

H. Dale Turner
P. O. Box 736
Puyallup, WA 98371

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[CLERK'S NOTE.—The following statement was submitted for the record by John C. Downey.]

5 August, 1982

Congressman J. Addabbo
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Sir:

My subject remains the Area Dominant Military Aircraft (ADMA) concept and your invitation to appear on 10 August; this statement standing in my absence.

Briefly, ADMA roots underlie my many years of flight and design experience as first, an Air Force fighter (Command) pilot, and later a member of the Lockheed-California Company to include the C.L. "Kelly" Johnson Skunk Works: 1947 to 1974. ADMA logic jelled in 1972, confirming data in 1973, and presentation/rejection (of the wrong concept by one USAF analyst) followed in 1974; ignored, proving data persisting and mandating continuance. Caltech validation in 1979 prompted yet another USAF rejection of yet another concept by the same errant analyst; the equally unchallenged mathematical models of Caltech joining the ignored proving data in Limbo; both then co-existing alongside USAF "disproof" in a science permitting but one answer to one problem. As a consequence of this hasty (human) error the USAF position solidified, logical rebuttal went unanswered and, those stonewalling also serving as judges, third party adjudication by an independent, impartial tribunal became our goal - persisting to today - similar to the Caltech involvement.

That is my request of the Congress.

SIMPLIFIED RATIONALE

A. Background

1. All military aircraft designs must address two opposing needs: flight to and from the target, and target area operations.

2. The former is largely non-afterburning cruise, occurs over 99% of the time, is common

to all specialized types (their uniqueness deriving from target area demands), and is best satisfied by characteristics in collision with target needs.

3. Equally, target area performance demands brief peaking at afterburning maximums, occurs less than 1% of the time, is uniquely different and identifies each specialized type (air combat, interdicition, close support, recce, ECM and interceptor), and imposes criteria opposite to best cruise.

B. Orthodox Solution

1. All design trade-offs between these two irreconcilables place target needs over route needs to: (1) attain the highest (state of the art, existing technology) levels of target area superiority for obvious military advantage, and (2) thereby justify the program as a needed replacement for the inventory incumbent-in turn reflecting an older technology threatening continued supremacy.

2. This always results in designs that perform efficiently less than 1% of the time, and inefficiently over 99% of inventory life; the presumably required price for target area edge. This compounds, as in every case the driving design mission is rarely (never) flown and the very compromises demanded by target area tasks are overtaken, before inventory entry, by modifications required by the routine, e.g., the air combat F-16 selected cost $3,000,000, weighed 11,500# (max. T.O. wt. of 22,500#), had 4900# of internal fuel capacity, no radar, etc.. Aviation Week reports that internal fuel increased 42%, weight 32% (max. T.O. wt. 57%), etc., reducing the vital and program justifying thrust to weight ratio by 21%, and so on. Of course the engine went unchanged and therefore all propulsion dependent performance (everything) suffered; the F-16 winning the competition not being the inventory item. This is true of all othes from the 1944 P-80 (and earlier) to the current F-15, while the USAF F-4 designed for carrier based intercepts, never performed the design mission.

ADMA SOLUTION

1. The most incompatible design ingredient is internal fuel-cruise gaining from more, target events from less (lighter weight) - and absence from the target area (insufficient range) or

theater (insufficient deployment) represent zero combat performance; sequential priority opposing design priority.

2. Adding internal fuel capacity offers a solution to all needs falling in the 99% zone, producing both a problem (weight) and a potential solution (energy) for the remaining 1%; rapid consumption of the fuel excess (weight reduction) on demand by stand-by thrust generators accomplishing both-rocket(s) using a propellant compatible with jet fuel.

3. Design priorities are then reversed: characteristics serving the 99% cruise needs becoming the same as those satisfying the 1% remainder (target area). Theoretically, the more internal fuel capacity, enhanced by the most efficient cruise aero-dynamics, would produce the most potential target area thrust excess; rocket propellant being aboard only when air combat looms, yet always available.

> Note: This newness is the hallmark of ADMA and must be understood if the concept is to be judged. It is a revolutionary departure.

4. Design of a new aircraft by industry poses prohibiting costs (direct USAF R&D costs for the F-15 airframe/engine reaching $1.5billion) causing Lockheed to generate ADMA illuminating data with an existing 1954 design; modifying only the interior. Findings identified a proving threshold however fuel and rocket values were far below that possible; their mathematical enhancement to maximums multiplying the performance advantage. Air combat (the 1% portion) was five times the F-15 (similarly the F-16) at five times the range and 1/5 the cost, while even greater advantage resulted in the 99% zone. Caltech then structured mathematical models showing how (not if) this comes about; facts being documented and in the hands of all USAF commands plus applicable staff agencies - to no avail.

5. Our offers to put these data and rationale in contest with USAF " findings", at our expense, before independent adjudication, go unanswered.

Two perhaps larger issues are contained within this history. I pose these to you, as two questions,

together with those answers suggested by my eight years of daily observation.

First, to whom is the USAF accountable?

Answer: No one.

Second, ADMA being known in detail to the full spectrum of USAF personnel - from the wild-eyed young fighter pilots to four star Generals - and none having taken the first step toward clairification of "data" packages illogicually co-existing, the question arises:

How does one characterize the motivation of all?

Answer: Treason? - Too Strong
Innocent error? Too weak
Conspiracy to obstruct? At least.

Sincerely,

John C. Downey
4243 Navajo St.
Toluca Lake, Ca. 91602

(213) 763-9827

[CLERK'S NOTE.—The following statement was submitted for the record by Network, a Catholic social justice lobby.]

NETWORK 806 RHODE ISLAND AVENUE NE, WASHINGTON, DC 20018, (202) 526-4070

September 7, 1982

The Honorable Joseph Addabbo
House of Representatives
Washington, DC 20515

Dear Representative Addabbo:

I am pleased to submit this testimony on behalf of NETWORK, a Catholic Social Justice lobby.

Our members live in every congressional district and experience concretely the effects of the escalating military budget. We appreciate and affirm the need for national security but understand that it involves a healthy domestic economy as well. Sister Amata Miller, IHM, is an economist and NETWORK board member who brings both a professional expertise and value orientation to the discussion and examination of the effects of the military budget.

I request that this testimony become part of the hearing record for your Appropriations subcommittee. I thank you for your leadership in involving the religious community in your hearings on the Defense Department Appropriation Bill.

Hopefully, the cumulative testimony will show that there is a growing national consensus that a huge military budget does not provide security.

In peace,

Nancy Sylvester, IHM

Nancy Sylvester, IHM
Coordinator

NETWORK 806 RHODE ISLAND AVENUE NE, WASHINGTON, DC 20018, (202)526-4070

Testimony for Appropriations Subcommittee

September 7, 1982

Amata Miller, IHM, PhD
Adjunct Associate Professor
of Economics
Marygrove College
Detroit, Michigan

As a representative of NETWORK, a Catholic Social Justice lobby, and as an economist I would like to speak primarily to the adverse effects of the military budget on the economy as a whole and on specific groups in our society in particular.

First, let me clarify my position on national security issues. Regrettably, in the world in which we live, some arms are necessary for national defense. But we have long since passed the point where further build-up adds to our national security. As long ago as 1956, Dwight Eisenhower, who could hardly be accused of naivete on the subject, said:

> We are rapidly getting to the point that no war can be won. War implies a contest; when you get to the point... that the outlook comes close to the destruction of the enemy and suicide for ourselves...then arguments as to the exact amount of available strength as compared to somebody else's are no longer vital issues.

Still, in 1980, even before the current Administration's re-escalation of the military budget, Ruth Leger Sevard (World Military and Social Expenditures, 1980) reported that with a stockpile of weapons 1,000,000 times the destructive power of the Hiroshima bomb the two superpowers were investing well over $100 million per day to upgrade their nuclear arsenals.

In the most recent issue of The Defense Monitor (Vol. XI, No.6, 1982) the Center for Defense Information reported that both Secretary of Defense Weinberger and Chairman of the Joint Chiefs of Staff, General John Vessey stated emphatically that they would not trade forces with the Soviets when questioned by members of the Senate Armed Services and Foreign Relations Committee last Spring. That issue of the Monitor contains careful factual analysis and many pertinent statements regarding assessment of the various elements of US and Soviet military strengths and weaknesses. These are undoubtedly familiar in their bewildering complexity and awesome reality to members of Congress and their aides. So it is not my purpose to debate that aspect here. Enough is enough when the human costs are taken into account, I submit to you. And here I do not mean some speculative estimates of what might be the consequences of a nuclear war. I mean to point

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to the costs we are already incurring for what there is ample evidence to demonstrate is at the very least an unnecessary accumulation of arms.

The costs to the American people can be measured in many ways. Here I will address the military budget's contribution to unmet civilian needs, continuing inflation, deepening unemployment, regional distress, and declining productivity.

UNMET CIVILIAN NEEDS

First, it is an economic truism that our resources are limited in relation to our needs and wants at any point in time. Therefore there are clear trade-offs. Insofar as we spend the projected $50 billion plus on weapons and equipment procurement for the military in FY '83 we divert natural, human and capital resources away from making housing, transportation, health care and food available to the American people. At a time when the Census Bureau, by its very conservative standard, reports that 31 million Americans live in absolute poverty, that is, they lack the minimum necessary for subsistence, it is clear that the trade-off is between the military and very basic human needs. There is a very direct correlation between what is spent on defense and what is not available to meet human needs. This could be demonstrated in many other ways as well.

Seymour Melman of Columbia University has written extensively and in detail of the trade-offs inherent in the budgets of the Pentagon. He focuses on what it means that by 1977 for every $100 of new producers'fixed capital the US applied $46 to the military economy. This drain on our investment capital means a "looting of the means of production" since it yields no product useful for consumption or further production. It threatens the long term viability of the US as an industrial society and it carries with it a sharply reduced potential for productive employment for Americans.

In an item by item analysis Melman has pointed out the trade-offs between defense spending on weapons procurement and our pressing civilian needs. Some concrete examples are as follows:

Trade-offs show types of unmet civilian needs - according to Columbia professor Seymour Melman - NYT 7/26/81 "Looting the Means of Production"

$11 billion - Cruise missile programs
= cost of bringing annual rate of investment in public works to 1965 levels

$8.4 billion - Cost overrun to 1981 on Navy's Aegis -cruiser program
= comprehensive R + D needed to produce 80-100 mpg cars

$33 billion - Cost overurns to 1981 on Navy's Trident and Air Force's F-16 programs
= cost of rehabilitation or reconstruction of 1 out of 5 US bridges

$444 million - 88% of cost overrun to 1981 of Navy's Tomahawk cruise missile
= Reagans proposed '81 & '82 FY cuts in Federal solar energy budget

$13 billion - Cost overrun to 1981 on Army's heavy tank (XM-1) program
= shortfall of capital needed for maintaining water supplies of 150 US cities for next 20 years

$300 million - Cost of excessive, non-standardized military aircraft service equipment

= Reagan's fiscal '81 and fiscal '82 reduction in capital grants for mass transit.

Sobering choices are before us as a nation. It is critical that we realize the real and long-term impact of the military expenditures in undermining the ability of our economy to provide the standard of living we desire as a people. The choices are being made now by Congress in our name. We will live for many years to come with the results!

INFLATIONARY PRESSURES INCREASED

Second, the contribution of military spending to the inflationary pressures which have underminded the incomes and savings of every American and which have distorted decision-making processes throughout the economy for almost two decades now should be understood. At present we are being subjected to the harsh medicine of policy-induced recession/depression to break the inflationary spiral. Yet the same Administration refuses, despite evident concern of even Wall Street and the business community as well as other sectors of the society, to acknowledge the linkage between continuing danger of inflation and the military re-escalation to which it is committed.

Military spending contributes to inflation in many ways. First, it must be remembered that it was the addition of the Vietnam war build-up on to an already fully employed economy in the mid 1960's that began the current inflationary process because political realities did not allow for compensating reduction in civilian production.

Secondly, the special arrangements between the defense contractors and the Pentagon by which they are able to pass along the cost overruns to the public treasury contributes clearly to cost-push inflation. Unlike the other contractors with whom they compete in markets for materials, labor and capital defense contractors with guaranteed profit margins do not have the same incentives to keep costs down. As they bid for the factors of production, therefore, they exert an upward pressure on prices throughout the economy.

Thirdly, the defense sector of the economy is receiving larger infusions of funds in these years than it is prepared to absorb. It is the one sector of the economy that today is working at full capacity. For example, even before the current buildup the waiting period for essential aluminum forgings was 120 weeks, according to data from the Council on Economic Priorities. While the average capacity utilization for US industry is less than 70% defense producers have bottlenecks and full shifts. Thus the additional infusions of money contemplated in the projected military expansion creates inflation--inducing pressures in markets for key types of personnel (e.g. engineers, already in short supply) and materials. This is partly a result of the exodus of many supplying firms during the de-escalation of the 1970's. The net result is that as new funds are fed into the defense industry it must scramble to expand. When (and if?) the economy begins the promised

recovery from the current depressed conditions the civilian sector will again be competing with the defense sector for the scarce materials, personnel and capital. It is this lurking spectre of renewed inflationary pressure which has caused the financial and business communities to hold-off from responding to the tax incentives of the supply-siders and undermined their policy for revitalization of the economy at its source.

Fourthly, in a long-term way the diversion of investment capital away from development of the means of production into military procurement, has undermined the source of America's productivity. We have systematically been killing the goose that lays the golden eggs of our American standard of living. For historically we have been able to enjoy rising consumer incomes and increased leisure without inflation by applying the fruits of science and technology to the way we produce (i.e. by increasing productivity). However, according to Seymour Melman, in every year for the past 30 years the Pentagon has had more capital at its disposal than the net corporate profits of all US corporations combined. Thus our ability to apply science and technology has been reduced for lack of capital. More fundamentally we have cut off the new inventions at their source by devoting 80% of US government R+D funds to military and space related research and absorbing up to 50% by some estimates of the scientific and technical research of the nation in military-related research. Given the long time required for pay-off from basic research, scientists are dependent on granting agencies' priorities and budgets for their livelihoods and so their work is directed according to these. Concentration of scientific work on military projects thus clearly reduces the share available for productivity increasing innovations in other sectors of the economy. As the expectations of American workers, based on historical experience of annually rising wages, press against more slowly rising or even stagnant productivity they generate rises in consumer prices as business protect their profit margins. Thus the military spending component of the economy clearly contributes directly to the structural inflation we are unable to control by policies however harsh.

I submit to you that it is time to look at the defense budget in the total context of the economic policy of the Administration and examine the links between inflation and military spending.

Finally, it should be clear that it is not the deficit per se which is inflationary, but the direction of the excess to the defense sector which is inflationary. The same size deficit incurred for spending and rebuilding our decaying highways or bridges, modernizing our railways or public transit systems, remedying the severe housing shortage or expanding the health care system would have very different impact both on inflationary pressure and on employment potential, calling as these would on currently underutilized capital goods and personnel in the economy today.

JOBS FOREGONE

Many analyses by very diverse groups have demonstrated how the military budget generates fewer jobs than other types of employment. In his recent study The Defense Industry, J. Gansler found that on the average 90% of jobs in US industry are production jobs, but in key defense industries the rate of production workers to total work force is far less. In guided missiles 28% are production jobs; in electronic computing 34% are production jobs and in air craft 54% are production. As early as 1968 the Department of Labor reported that over 60% of the defense work force was classified as skilled, semi-skilled or professional, while only 45% of

the whole labor force was so classified. It is clear that the jobs in this sector are more highly skilled than in other sectors, thus open to fewer American workers; and more costly than other jobs would be.

Also, given the level of captial intensity in most of the defense sector, dollar for dollar comparisons show fewer jobs generated by defense spending than by other types of spending, civilian or governmental. Indeed the data shows that almost any alternate type of expenditure of the same money would generate more jobs than military spending.

Chase Econometrics under contract for Rockwell analyzed the B-1 bomber program to compare the employment effect of the B-1 expenditure to a tax cut and a public housing program of equal dollar amounts. The results showed that the tax cut would generate 30,000 more jobs than the B-1 program over 5 years and the housing program 70,000 more.

Marion Anderson of Employment Research Associates of Michigan has done the most sustained work on this question. Her various annual reports on "The Empty Pork Barrel" now supplemented by specific studies of the impact of military budgets on employment for blacks and for women reiterate the same conclusion.

Year after year over 1 million jobs are foregone in the US economy each year by military spending in comparison with what would have been possible if the same amounts were available to consumers or to state or local governments or to other federal government programs.

The 1982 edition of "The Empty Pork Barrel" reports that $1 billion of spending would generate 65,000 jobs in retail sales, 62,000 jobs in education and 14,000 jobs in missiles and munitions production. By 1977-78 even California with its heavy concentration of defense contracts was experiencing a net job loss because of the Pentagon budget. The most heavily industrialized states of New York, Illinois, Michigan, Ohio and Pennsylvania lost over 100,000 jobs each. 70% of the US public live in the 29 states which suffer a net loss whenever military spending increases.

In a particular study of the impact on women's employment Anderson reports that in 1980 when the military budget was $135 billion it cost the jobs of 1,280,000 women nationwide, 9,500 jobs for women for every $1 billion of military spending. At a time when 70% of the US poor are women and children this linkage should be one of serious concern.

In another study dealing with the effects of the military budget on black Americans the conclusions were equally dramatic. During the period 1970-1978 when annual average of military spending was $85 billion it cost the jobs of 109,000 Black Americans in each of those years. Each $1 billion in military spending caused 1,300 lost jobs for blacks. When unemployment among blacks is continually twice that of whites in every age category and when unemployment among black teenagers averages close to 50% the importance of this loss should be apparent in both economic and social terms.

In a 1981 Council on Economic Priorities study of the MX missile David Gold and others pointed out that the direct plus indirect employment effect of alternative uses of $1 billion of New Final Demand would be:

MX Missile production	29,402 jobs
Housing	30,899 jobs
Railroads	31,819 jobs
Solar Energy/Energy Conversion	38,192 jobs
Public Utility	38,650 jobs
Mass Transit	45,397 jobs

All of this clearly indicates the way in which our efforts to provide employment for Americans is undermined by the increases in the military budget. Clearly our one-sided definition of national security is destroying one of the most fundamental needs of our society--the ability to work for a living--and thus threatening our national (and personal) security in a very dangerous and far-reaching way.

WORSENING REGIONAL IMBALANCES

Finally, it is clear from state-by-state analyses congressional district by district that 70% of the US population live in congressional districts which lose money because of the Pentagon budget. Dr. James R. Anersen in his 1982 study Bankrupting America reported that 302 of the nation's congressional districts are suffering net losses each year from the budgetary impact of military spending while 133 districts gain. This means that comparing inflows due to Pentagon sepnding with outflows in tax dollars channeled to the Pentagon reveals that the 70% of the people in 305 districts subsidize those in the other 130.

Every major industrial state except California has more districts that lose than gain. This outflow cost New Yorkers over $5 billion in 1980, Michiganeans $4.3 billion, the People of Illinois $6 billion, Ohioans and Pennsylvanians $3 billion. At a time when the depressed economy is starving the treasuries of the states and cities of the loser states, these Pentagon induced losses translate into real hardship and lack of capital for the necessary revitalization. Demographers point out that if the migrations and economic destruction continues as it is we will experience between North and South the same conditions we find between the inner cities and the suburbs. The North will be peopled by the poor, the unskilled and the elderly without resources to care for themselves. The build-up of the Pentagon budget is worsening the economic migration of capital and labor and contributing to long-run distortion of the economy, generating boom conditions on certain areas and idle capactiy and unemployment in others--drawing more and more resources into defense production concentrated in a few areas while allowing the resources of other areas to lie idle and wasted.

In summary, the costs of the military budget are pervasive and long-term. Our resources are diverted from meeting human needs. Inflationary pressures are sustained and built up. Jobs are foregone and umemployment increased. Regional dislocations are worsened. In purely economic terms further increases in military spending can be called suicidal.

In his book Real Security: Restoring American Power in a Dangerous Decade, Richard Barnet concludes with the words:

> "The real danger in a dark and turbulent time is that we may scare ourselves into impotence and perhaps oblivion... "

Best Available Copy

This is as true economically as it is militarily. May you the Congress-people have the courage to call a halt to this senseless and self-defeating pattern of military spending.

Thank you.

Best Available Copy

[CLERK'S NOTE.—The following statement was submitted for the record by the Aerospace Industries Association of America, Inc.]

AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.

"A I A"

VIEWS
ON

INDEPENDENT RESEARCH AND DEVELOPMENT
(IR&D)

AND

BID AND PROPOSAL
(B&P)

May 5, 1982

I. INTRODUCTION

The subject of Independent Research and Development (IR&D) and Bid and Proposal (B&P) effort is to be debated in the U.S. Congress again this year. The vital importance of IR&D and B&P to American industry and to the U.S. Government requires the timely, clear articulation of the issues.

It is important to understand what IR&D and B&P efforts really are, why they are absolutely essential, and how they differ.

Independent Research and Development (IR&D) is a term devised by the Department of Defense (DOD) and used by Federal agencies to differentiate between a contractor's research and development technical effort performed under a contract, grant, or other arrangement (R&D) and that which is self-initiated and self-funded (IR&D).

Bid and Proposal (B&P) is a term devised by DOD and used by Federal agencies to describe a contractor's technical and supporting effort directed at preparing and submitting proposals (solicited or unsolicited) to a customer to meet an identified customer requirement.

The limited similarity in content and objectives of IR&D and B&P should be understood, primarily to prevent the mistaken tendency to group them together. It is the purpose of this paper to explain the vital nature of IR&D and B&P, and to present the rationale for Government recognition of the costs incurred in pursuing strong, aggressive IR&D and B&P efforts essential to retaining U.S. leadership in the world.

Discussion of IR&D and B&P is not new. The subject has been debated in Government and industry circles for more than thirty years, dating back to World War II. Many studies have been made, much has been said and written, regulations have been issued and legislation enacted, and a greater degree of understanding has slowly evolved. The report by the Surveys & Investigations Staff of the Committee on Appropriations, U.S. House of Representatives, is the most recent study of IR&D/B&P. It contains much pertinent and relevant information on the subject but also contains some misunderstandings which will be addressed later in this paper.

II. THE VITAL NATURE OF IR&D AND B&P

The challenge of U.S. technology leadership by foreign countries is strong and increasing every year. IR&D and B&P efforts by American industry are critical to advancement of technology and the stimulation of competition, which not only greatly benefits all customers, including the Government, but also strengthens our nation in the expanding competition with other countries.

IR&D and B&P exist because private firms must develop advanced technologies necessary for future products and services (IR&D), and must incur the cost of bidding and proposing these products and services (B&P). All private firms must recover all their costs from their sales, including

the costs of company-initiated research and development and the costs of bids and proposals. All sales should share the allocation of these costs. In the private sector, where sales are based on price, these costs are neither identified to the customer nor are they questioned.

The customer simply wants the best product at the best price, and each private firm strives to supply this ideal by judicious management of research and development, and marketing. The competitive market controls the proper level - too much or too little expenditures in either area can have adverse consequences. Accordingly, very close and constant attention is afforded to these costs by all successful business firms. Only judicious establishment of the level of these activities permits a firm to survive in a competitive enviornment.

The United States will gain by preserving the independent or contractor-initiated nature of independent research and development, particularly when the Government is the customer. It permits a contractor to apply his resources selectively to those technologies in which his capabilities are highest, and which from his broad experience and objective perspective will benefit the customer most.

Based on available statistics, many of the world's industrialized nations are giving greater recognition to research and development than the U.S. Generally, they are increasing their ratio of R&D to Gross National Product while ours is gradually decreasing. Their productivity is reaching new highs while ours is lagging. Numerous foreign governments have developed far-reaching and often generous R&D incentive policies.

The important thing to note from this review of international trends in R&D is the greater aggressiveness of most industrialized foreign countries compared to the U.S. Having seen the U.S. attain a position of world leadership through military and industrial strength based upon superior technological capability, other nations have reacted with vigorous support of R&D. These governments have recognized the need to encourage industry to conduct research and development in order to provide a necessary technological base to compete in the international marketplace. In many cases, such encouragement is in the form of direct subsidies. U.S. companies neither seek them nor believe that subsidies or direct payments of any kind are desirable.

Inasmuch as IR&D has as it primary characteristic the stimulation of new ideas and concepts for advancing technology and applying it to the solution of current and future problems, the need for continued strong support of IR&D is obvious. Government would therefore benefit from following accepted business practice in this area.

B&P efforts differ markedly from IR&D. B&P is that activity undertaken by a company to respond to specific Government requirements by the application of its particular technological expertise. Preparation of proposals, whether solicited by the Government or unsolicited, involves major technical effort on the part of a company to set forth to the procuring agency the details, feasibility and superiority of its proposed approach.

Government encourages competition among private companies and this can only be effective if industry is in a position to respond with vigorous B&P activity. Competition is encouraged not only on standard products (catalog items) and price proposals (build to print, or production programs), but also on cost-reimbursement type contracts where technical approach, price, schedules and performance are all factors.

While there is much B&P technical effort involved in the preparation of complex proposals for major Government programs, the nature of this effort primarily involves the application of a company's technical capability and expertise to the problem at hand. The results of IR&D efforts conducted long before are what is needed in the proposal, which is often a good indicator of the quality of previous IR&D work.

Thus, it is evident that while both IR&D and B&P involve technical effort by scientists and engineers, they are really two distinctly different activities, directed toward different objectives. IR&D is exploring the future, seeking a better answer to problems or a better way to perform a function, whereas B&P is defining the present capability, describing clearly and concisely, in a formal proposal, a solution that is already resonably well understood and tested or an approach to a solution that has a very high probability of success (often demonstrated as a result of previous IR&D).

In the Government procurement process (DOD and NASA), contracts are not awarded solely on the basis of a company's cost proposal and demonstration of resources to be applied to a contract, coupled with prior accomplishments. Rather, a company's proposal must demonstrate a complete understanding of all technical problems, to the point of describing therein a substantially finished design of a viable version of the system to be furnished, and discussing the merits of the chosen design versus possible alternatives. The associated technical effort, ranging from studies, computer modeling and design calculations to, in many cases, the construction of prototypes, represents the technical effort required for B&P.

From the foregoing, the vital nature of both IR&D and B&P to industry should be very clear. In industry's view it should also be clear to the people in Government that IR&D and B&P are absolutely essential activities which should be encouraged, and strongly and consistently supported.

As the Commission on Government Procurement succinctly stated in its Report (Volume II, Part B, Page 31), "Recognize in cost allowability principles that IR&D and B&P expenditures are in the nation's best interests to promote competition (both domestically and internationally) to advance technology and to foster economic growth. Establish a policy recognizing IR&D and B&P efforts as necessary costs of doing business...."

III. NECESSITY FOR "INDEPENDENCE" OF IR&D AND B&P

Although a major concern of the Congress has been the lack of direct control over IR&D and B&P expenditures, it is a strongly held industry position that industry must be free to decide what should and what should not be done under IR&D and B&P. Except when the Government is the customer, there is no question that each industry decides what IR&D and B&P projects to pursue and to what level of effort. Industry has reluctantly accepted increased Government controls on IR&D and B&P.

The requirements for potential military relationship is an undue constraint, and is defiitely not in the best interest of the Government when it inhibits defense and space industries from addressing problems of social, environmental, energy, and other areas of concern. Critics in Congress cannot continue to decry the fact that industrial expertise that took us to the moon and back is not addressing our curret domestic problems, when the Government's own constraints on IR&D and B&P inhibit such action by industry. Defense-oriented companies should be as free to decide what avenues should be pursued with IR&D and B&P funds as are commerically-oriented companies.

"Independent," or synonymously "contractor-initiated," is the key word in distinguishing the nature and value of IR&D. It means the company management's own evaluation of what it must do to remain technologically competitive in the future, balanced against the competitive implications of the cost of so doing. That is perhaps the most difficult, and in the long term, most significant decision of management in any enterprise. It also represents that element of managerial judgment and skill most valuable to the customer, whether commerical or Governmental. In no other way does a company put its future on the line to the degree it does in making such decisions.

It is to the Government's advantage to preserve the independent nature of a contractor's research and development effort. It permits a contractor to apply his resources to those technologies and programs in which his capabilities are highest and which, therefore, will be of greatest benefit to the customer and in turn to himself.

A contractor's independence also provides other benefits to its customers that cannot be achieved with external controls. At any given time, a company is in the best position to evaluate its own best ideas and prospects. When research projects are judged not fruitful in terms of technical success or practical application, they can be promptly abandoned and a new approach or entirely new project quickly substituted. It is this freedom to continue pursuit of promising concepts or results, and to terminate technical efforts not achieving their objectives that is vital to the continued success of any contractor, and to his ability to compete successfully for new business. Moreover, the creative environment thus estabished leads to generations of feasible solutions, since the gestation period for translating new ideas into practical applications is often quite long in high technology industries.

Some IR&D projects may explore variables in fields which are reasonably well understood; however, other IR&D work is concentrated in areas in which the Nation is still largely or wholly ignorant, and in which the chance of success is too questionable for the Government to care to sponsor it aggressively. From the national point of view, however, the importance of these programs does not lie primarily in their "success" or "failure" as viewed by the company involved. Rather, for the Nation, these efforts represent a unique national storehouse of capability to address - on an urgent basis if necessary - any technical problems.

This national resource, i.e., the technical capability of American industry to address specific and urgent government requirements, is never more clearly recognized than when the Government releases a Request for Proposal (RFP) on some complex defense system. It is then that the Government agency involved desires a highly competent, experienced contractor who can be counted on to perform in an exemplary manner and succeed in meeting every technical challenge. It is the company that has been very imaginative and aggressive in wisely pursuing prior IR&D efforts in appropriate technical areas that is best qualified to meet the challenge. The Government would suffer immeasurable loss if private industry were not free to pursue IR&D and B&P to prepare for and respond to these RFP's.

The independent nature of the B&P efforts of the defense/space industries have benefited Government despite erosion by the artificial and arbitrary constraints prescribed by PL 91-441:

(a) by assuring a continuing competitive environment in which better systems can be procured at lower prices;

(b) by providing, via unsolicited proposals, a fruitful source of innovative ideas;

(c) by permitting the application of technologies developed within industry to diversifications whose benefits flow to DOD and NASA, other Government agencies and the Nation; and

(c) by presenting alternative solutions to Government requirements when solicited.

IV. BENEFITS OF IR&D

a. HOW IR&D ADDRESSES DOD NEEDS

In the case of defense contractors, the principal resource applied for technology advancement activities is IR&D. Thus, IR&D represents a fundamental resource in the spectrum of industry activities typically involved in the conception, develoment, evaluation and production of contemporary military/defense products.

In the present system, DOD long-term plans define (and document) a broad range of military mission requirements which imply many military functional requirements* that cannot be economically satisfied with existing equipment/technology. Some of these military functional requirements are elaborated and made more specific in further DOD technology planning documentation. There exists a wide frontier of technology (pertinent to DOD requirements) beyond which can be seen an enormous variety of potential functional capabilities*. Industry IR&D explores and demonstrates potential functional capabilities. The initiative in proposing a project usually comes from a working level engineering manager or scientist in a particular field of technology who, when the project is approved, runs it with considerable independence.

The IR&D effort of defense contractors is simply what has turned out in practice to be the best way to begin the process of connecting up thousands of functional requirements in DOD's plans with thousands of "potential capabilities" known to or represented by scientists and engineers in industry.

Much of the "independence" in the conduct of IR&D is exercised by a contractor's engineering and scientific personnel. From their vantage point at the working level, they have the best view of the potential capabilities in their specialty, and (through the "multiple direct inter-conection" with working level DOD technical personnel) the best view of related DOD functional requirements. One of the most important ingredients in the current considerable value and effectiveness of IR&D work is the good balance which has been achieved between the independent initiative of the engineering and scientific personnel and the appropriate degree of guidance by management. In turn, company management uses the results of DOD's technical reviews of its IR&D as an important input to its own evaluation of the work.

b. THE DIFFERENT KINDS OF TECHNICAL OUTPUTS FROM IR&D

Although brilliant discoveries and great innovations are an exciting and important product of IR&D. Valuable products include: technology advancement, systems studeis, "successful failures," and the innovation of superior systems or hardware. To elaborate:

1. Technology Advancement - A tangible portion of IR&D work is aimed at attaining or maintaining a competitive capability in key technologies. There is a widespread misconception that all IR&D is aimed at, and ultimately results in, the design of products suitable for sale to a broad

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* Military functional requirements and capabilities, respectively, are requirements and the corresponding technical capabilities to perform desired military functions. For example, a functional requirement might be measuring the range from an anti-aircraft weapon system to an aircraft in flight, while a related functional capability might be the precision of distance measurement offered by laser technology.

spectrum of customers. In point of fact, much IR&D work is directed towards attaining or maintaining a competitive capability in key technologies vital to the continued pursuit of a given type of business. The nature and technical thrust of the IR&D work performed by any company is strongly influenced by the nature of its products, and by its perception of the key long-term business opportunities in its field.

2. Systems and Other Concept Formulation Studies - This work is a vital element in defining and refining requirements essential for new or improved Defense systems or hardware, and as such forms a key supplement to DOD's development planning activity.

3. "Successful Failures" - A finite portion of IR&D work is unsuccessful (i.e., fails to achieve its desired objectives). In many cases, however, unsuccessful IR&D can be regarded as successful, in that it demonstrates at low cost that a given approach to resolution of a problem or meeting a need is inadequate or uneconomic.

4. Innovation of Superior Systems or Hardware - The major portion of IR&D effort is aimed at evolving superior hardware or systems, offering either significantly improved performance, lower cost, or both.

In the broad spectrum of work represented by the major defense contractors' total IR&D effort, many examples can be found where IR&D has successfully met these objectives. However, it must be recognized that it is the exception rather than the rule that the attainment of a dramatically increased operational capability or cost reduction is directly and uniquely traceable to a specific piece of IR&D work.

By way of illustration of this point, in 1966, DOD reported the interim conclusions of a 40 professional man-year effort over some 2-1/2 years (named "Project Hindsight") which studied the utilization of recent science and technology in DOD weapons systems. Heading the list of its conclusions was the fact that:

"Many events (50-100) which are innovations in science or technology are utilized in a typical advanced system." Or, as Dr. Chalmers W. Sherwin, ODDR&E Project Hindsight's sponsor, put it:

"It is not the great breakthrough but rather the cumulative synergistic effect of some forty-odd innovations which make the radical improvement. Each of the innovations, taken by itself, would produce little or no improvement. This finding is of fundamental importance."

It is potentially unproductive to attempt to display the benefits of IR&D by attempting to quantify the benefits of each individual company's IR&D work, and it is even less meaningful to approach such quantification of benefits on a task-by-task basis within a company's IR&D program.

c. DISPLAYING THE BENEFITS OF IR&D

Tracing the flow of IR&D results into new or improved "end-products," is a difficult task, when on considers the complexity of the end-items. This complexity influences both the number of individual "technical events" which contributed to the final result, and the number of years over which these technical events were coming together to make possible the evolution of the operational end-product.

A corollary problem is the fact that the extended period required for new or improved operational end-products to evolve, substantially impairs the identification (let alone any quantification) of the value of recently performed IR&D work.

Prior attempts to display the benefits of IR&D have tried to avoid the burden of tracing the interacting contributions of many IR&D tasks (possibly from several companies) to the evolution of lower cost or superior performance in military systems and hardware. Instead, examples were sought on a company-by-company basis where specific IR&D work had had a readily identifiable, immediate, and quantifiable result. In the broad spectrum of defense contractors' IR&D effort, many such examples can be found. However, a simple compilation of them invites the misleading interpretation that these readily identifiable examples represent the only benefits that flow from IR&D work.

A preferable approach to illustrating the benefits of IR&D is the "top-down" analysis of the contributions of IR&D to operational systems (the appraoch used in Project Hindsight). This approach also permits the identification of early, "intermediate products" resulting from IR&D. This first identifiable result from some IR&D work is the acknowledgment by the customer of its potential importance, by the award of a contract for continuation and expansion of the work. While this does not guarantee the eventual utilization of the IR&D in an improved end-item, it is the route by which must IR&D work ultimately reaches an end-product. Receipt of such a contract may therefore be regarded as passing an early "value milestone" or benchmark for the IR&D work in question.

d. SUMMARY OF IR&D BENEFITS

The benefits flowing from IR&D programs to the Government can be summarized as follows:

1. Provides Major Contributions to Nation's Technological Base and Avoidance of Technical Surprises

   Viewed in the context of IR&D's relationship to the amount of R&D that is not rigidly specified as part of the engineering definition of major systems and hardware developments sponsored by DOD RDT&E funding, IR&D is a major source of innovative contributions to the Nation's technological base.

The greatest single benefit to be derived by all customers including the Government from a strong industrial IR&D effort is the assurance of a technologically superior industrial base and source for all future product needs.

2. Stimulates Competition and Creates Technical Alternatives for Government Requirements

IR&D stimulates both of the two interrelated aspects of competition: technical competition and cost competition. By providing a mechanism for companies to explore their individual approaches to solving known, longer-range Government requirements, it ensures the availability of alternate technical solutions and the existence of meaningful technical competition.

By encouraging the application of advanced technology to simplify existing designs and conventional production processes, it stimulates cost competition. Stated in another way, IR&D provides the ability for a contractor's "bottom-up" flow of ideas and possibilities to temper the customer's "top-down" mandated end-item performance and system characteristics, and to evolve a more cost-effective solution.

3. Provides More Technology for the Dollar

IR&D work has minimal administrative cost, since its in-house management eliminates the need to add the complex administrative overlay required to furnish the formalized financial data, and technical reporting attendant to contract R&D. In this way, IR&D cost represents a maximization of the technical effort received out of each and every dollar spent.

4. Provides Quick Reaction and Flexibility

IR&D work can be quickly initiated, terminated or redirected as its technological findings, changes to the external technological environment or changes to customer needs dictate. Company management decisions on IR&D are unencumbered by the formality and procedural constraints surrounding contract R&D.

5. Stimulates Creativity

IR&D is an important contributor to building and sustaining within a company a "climate" which encourages innovative thinking. The contractor's IR&D program attracts and holds innovative individuals because it can promptly fund the exploration of good ideas and pursue each exploration to its logical conclusion without experiencing delays attendant to additional contract funding or customer agreement to redirect a contracted effort.

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6. Takes Maximum Advantage of Industry's Business and Management Approach

IR&D takes maximum advantage of industry's "applications" orientation; i.e., it effectively picks the brains of thousands of scientists and engineers and screens the resulting ideas through a critical, informed industry management view of what constitutes a producible, saleable end-item. It also benefits by its susceptibility to management financial and performance control by systems that are already in place, and necessary for the normal conduct of business of each company.

7. Reduces Risks and Provides Responsiveness to Weapons Acquisition Process

The demonstration of the feasibility of a high risk but potentially superior solution to a known need is usually accomplished by IR&D, which provides the mechanism for rapid evaluation by industry of newly identified critical customer deficiencies. The contractor management decision process is measured in days whereas the customer procurement cycle requires weeks or months. (On occasion, contractors have recognized Government needs, and have had solutions for a critical deficiency prior to its formal recognition by the Government). As a result, solutions ultimately proposed for Government contracts have reduced technical risk, and saved time and money.

Additionally, in recent years, the DOD weapons acquisition process has shifted demonstrably in the direction of requiring bidders to demonstrate in their proposals a high degree of understanding of the related problems and to offer high-confidence solutions to same (as distinct from being funded to investigate, identify the nature of, and solve these problems).

8. Generates Studies and System Concepts Supplementing Government Planning

This product of IR&D, representing industry's views of alternative approaches to satisfying customer needs, complements the Government's in-house activities which define and refine its requirements. Many unsolicited proposals for resolving critical deficiencies or for effecting significant cost reductions have resulted from such studies. The response to formula RFP's also benefit from such company operated system studies.

9. Permits Diversification

IR&D enables company management to anticipate and respond to changing requirements in its potential customers' needs in a timely and technologically sound manner.

V. BENEFITS OF B&P

The benefits derived by the Government from B&P efforts, beyond the fundamental aspects of its absolute necessity for survival and growth of a business, include:

a. assurance of a continuing competitive environment in which better systems can be procured at lower prices;

b. availability, via unsolicited proposals, of a fruitful source of innovative ideas; and

c. industrial diversifications, the benefits of which flow to all other Government agencies and the Nation as a whole.

Artificial and arbitrary constraints on B&P, such as those prescribed by PL 91-441, erode these benefits. B&P effort aims to focus knowledge and capabilities derived from IR&D and other sources such as commercial and Government programs on the particulars of emerging new customer problems and requirements as specified in Request for Proposals or equivalents. In many instances prior knowledge must be added to and enhanced in order to meet the specified need. The B&P effort describes the work to be done and determines the feasibility of meeting the specific requirements, as well as identifying additional effort which must be done in order to meet the conditions of performance which are required. Data must be generated to substantiate the results predicted as well as to establish the credibility of the proposer.

The total number of industry proposals prepared in conjunction with a major system acquisition number in the thousands; an individual contractor pursuing the prime contractor role of system designer/manager may be obliged to prepare a hundred or more. Because these efforts require major commitments of resources over extended periods of time, contractors' decisions regarding participation in an emerging system competition are made with great care.

Throughout this process new problems are identified and solved, dead-ends are encountered, and technological, soci-economic or political conditions constantly change. The needs of future systems change, changing the character of such systems. Procurement actions, including timing and nature of proposal requirements, shift as do holding periods between proposal submittal and source selection (during which key proposal/program personnel must be available to the Government). These changing conditions, beyond the contractor's control, have major impacts on the timing and magnitude of his B&P expense.

The Government's historic defense/space policy of recognizing the need for flexibility in B&P effort has perpetuated a competitive atmosphere in the defense/space industry, maximizing not only the numbers of qualified competitors but also the vigor of their competition. Constraining industrial flexibility in B&P will discourage and ultimately reduce the

breadth and depth of competition, limiting the Government's options. The exchange of technical information between Government and industry (prior to key development decisions) will be reduced, resulting in less well defined and understood requirements. The quality and quantity of substantiating data submitted with proposals will be limited increasing chances of injudicious source selections. In summary, artificial limits on B&P effort increase risks in the procurement process by decreasing competition and increasing the difficulty of selecting the right system the right contractor, and the right contract.

VI. CONTROL OF IR&D AND B&P

Each business firm is highly motivated to control expenditure for IR&D and B&P since too little or too much can be disastrous in a free competitive market. While some critics of IR&D and B&P reimbursements under Government contracts cite the lack of competitive pressures in controlling these costs on Government contracts, this is just not supported by fact. Excessive and unreasonable IR&D expenditures result in non-competitive prices while inadequate IR&D effort leads to weakness in the competitive struggle. It follows, that only those companies which exercise sound business judgment will survive. The Government has taken very decisive measures to stimulate the competition on all procurement regardless of type of contract, and industry has responded by taking steps to become and remain competitive.

While carefully avoiding the stifling of innovation and creativity on the part of their top scientists and engineers, each firm must carefully evaluate every IR&D Project and B&P activity against its own business objectives. As a matter of fact, these internal company reviews are usually much more demanding than any conducted by Government review teams. Only those projects which pass company established criteria in their own particular product area or field of interest are approved. Progress toward established goals is monitored regularly and projects accelerated, altered or stopped, based upon continuing re-evaluation. This tight control by industry is not only desirable, it is absolute essential in the high technology, rapidly changing environment of today's world.

Government control that inhibits the flexibility of industry to respond to the changing market environment is clearly an adverse influence, and makes Government partly responsible for the success or failure of industry. It presumes that the Government possesses some sort of omniscience that has never been demonstrated. Dr. John S. Foster, Jr., former Director of Defense Research and Engineering, stated before two Congressional Investigating Committees, "We in DOD are not - and must not be - so complacent as to assume that we alone, within the limited Defense research and development community, have the wisdom and ability to judge all these technical projects and approaches that may produce beneficial results."

Because today's defense requirements push the state of the art, high technical risk is inherent in their production. Very early and preliminary

IR&D and B&P efforts minimize many of these technical risks which if left to later phases of production would unnecessarily increase costs.

The real issue is not whether IR&D and B&P efforts should be controlled, but by whom. The answer is that these efforts are controlled by company management under the constraints of the competitive marketplace. At the same time, industry aggressively pursues solutions to the most pressing national problems, because it is in these areas that future business will be found.

VII. GOVERNMENT RECOGNITION OF IR&D AND B&P COSTS

As a customer, the Government, and in particular the Defense Department, is neither buying IR&D and B&P but, instead, buys goods and services the prices of which contain a proportionate allocable share of all indirect costs including IR&D and B&P.

Thus, the price of every company's products should contain its cost of doing business and each customer must pay his share of that cost. To legislate that one customer will enjoy a preferred position and not be obliged to pay his pro-rata share, unfairly discriminates against all other customers. It is particularly unfair when a single customer is in a position to enact such legislation for its own benefit.

To the extent that Government refuses to recognize such costs in its prices, the Government receives an unwarranted discount on its purchases. And to the extent that the Government does not pay, the burden is shifted to the stockholder in terms of reduced return on his investment or - where the company also produces for the commerical market - it may be converted into higher prices for the consuming public, thereby weakening the company's competitive position in the market. The contractor is thus encouraged and even forced to shift out of this kind of business, because the return on his investment is not comparable with the return he can get in other markets (e.g., commercial). The real loss then of not allowing IR&D and B&P in Government contracting will be to drive the innovators and the most efficient producers out of the Government market into the commercial/consumer sector where a free market allows a price that will support needed IR&D and B&P.

In commercial business, as explained above, prices are controlled by competition in a free market, with some products being much more competitive than others. The ability of a company to recover IR&D and B&P expenditures, therefore varies with each product and some, in a more favorable competitive position, are able to carry the IR&D and B&P costs share normally allocable to another product. This also holds true for that portion of the DOD procurement funds (approximately 30%) which are expended on fixed price competitive procurement. However, the remaining 70% is expended on cost analyzed procurements where each and every item of cost must be accounted for and is carefully scrutinized by Government auditors and negotiators. In this type of procurement, only the costs of producing

that particular product are recoverable and it is impossible for any product to be burdened with more than its allocable share if IR&D and B&P costs. It is therefore essential the every product or service, regardless of its nature, carry its share of every indirect costs, including IR&D and B&P, when sold to the U.S. Government.

In addition, while it has been said that the contractor derives commercial benefit from the IR&D costs which are included in pricing of Government contracts, little note has been taken of the fact that defense projects benefit greatly from research directed to commercial products. There are many such examples. The transistor is one; the ultrapure silicon material that made the electro-optical sensor possible for the guidance unit of our "smart" bombs is another. Another point which should be made here is that the Government gets the benefits flowing from each contractor's total IR&D program while participating in only a share of the costs. For example, the DOD report summarizes statistics from major defense contractors showing that in 1981 DOD obtained access to $2.9 Billion of IR&D work while accepting only $911 Million as its share of the costs.

VIII. RECENT REPORT (MARCH 1982) ON IR&D TO HOUSE APPROPRIATIONS COMMITTEE

The fourteen major defense corporations visited were unanimous in their opinion of the sincerity and objectivity of the members of the Surveys and Investigations staff performing this study. Conveying an accurate and clear insight into IR&D/B&P via a relatively brief stand-alone report requires both a pedantic definition of the terms employed, and the scrupulous differentiation between factual and similar, closely-related considerations. The following comments on the resulting Report are therefore a measure of the regulatory complexity that now surrounds IR&D/B&P and endows this subject with an unusual sensitivity to semantics.

1. Costs of IR&D/B&P:

   (a) The data tabulated on Pages 37 and 38 of the report do not differentiate between the IR&D/B&P costs allocated to DOD contracts and those allocated against Foreign Military Sales, but define the total of these costs as "DOD Share." The following table illustrates the declining trend over the past nine years, of the IR&D/B&P costs allocable to DOD contracts:

(ALL COSTS IN MILLIONS OF $'s)

YEAR	TOTAL IR&D/B&P PROGRAM SUBMITTED	TOTAL CEILINGS ACCEPTED BY GOV'T.	DOD SHARE (LESS FMS)			DOD SALES	PERCENT TO SALES		
			IR&D	B&P	TOTAL		IR&D	B&P	TOTAL
1973	1,717	1,411	415	348	763	20,121	2.06	1.73	3.79
1974	1,726	1,427	438	339	777	20,672	2.12	1.64	3.76
1975	1.839	1,554	456	355	811	22,592	2.02	1.57	3.59
1976	2,066	1,638	469	367	836	23,415	2.00	1.57	3.57
1977	2.307	1,806	524	393	917	26,130	2.01	1.50	3.51
1978	2,568	2,027	567	432	999	28,290	2.00	1.53	3.53
1979	2,978	2,258	651	483	1134	32,858	2.00	1.47	3.47
1980	3,384	2,600	745	561	1306	40,602	1.83	1.39	3.2
1981	4,033	3,011	911	629	1540	48.156	1.89	1.31	3.2

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This situation militates against Industry's performing an adequate level of IR&D, since (a) B&P activities are mandatory for new business acquisition, (b) the government largely determines the frequency of bid opportunities and mandates the format for the contractor's responses, and (c) IR&D and B&P costs are interchangeable, in the sense that a contractor is allowed to overspend his B&P ceiling provided that he underspends his IR&D ceiling by the same amount. Equity is further exacerbated by the fact that B&P expenditures preponderantly consist of those costs associated with responding to DOD and other government agenices Request for Proposals (RFP's). These costs have essentially no counterpart in commercial business, where Proposals are customarily the vehicle for presentations of prices for succinctly - defined items, rather than highly detailed descriptions of the technical approach to be used and the allied project structure and management controls that will be employed in performance of the associated work. The case can be made that a contractor has relatively little latitude in determining a "responsive" submittal to an RFP, and that the government itself largely dictates the scope and hence the cost of Bid & Proposal activities by the terms of the RFP's it issues. Despite these facts, under current legislation DOD pays substantially less than its allocable share determined after spreading B&P costs across a contractor's <u>total</u> business.

(b) The report claims that audit of the IR&D program is incomplete, and presents statistics purporting to show that "$735 Million of IR&D may be funded without effective monitoring."

Testimony before the Defense Subcommitte of the House Appropriations Committee in 1981 is quoted as stating that DOD spent some $63 Billion on hardware in 1979. This reference appears to be inaccurate and hence misleading. In point of fact, the $63 Billion represents the total of military prime contract awards in the three categories of RDT&E ($8.8B), Other Services and Construction ($17.7B), and Supplies and Equipment ($38.5B). Of the $63B total, $42B was in fact awarded to the 100 largest defense contractors, largely but not exclusively for "hardware." (For example, some $4B for the purchase of petroleum products and $1.5B for food items are included in this $42B.) However, it is patently erroneous to assume that a similar mix applies to the $21B awarded to other contractors. Most of the "hardware," which by definition is contained in the $47.3B represented by the two categories of RDT&E and Supplies and Equipment, is indeed furnished by the 100 largest defense contractors. The awards to other contractors must, therefore, lie predominantly in the Services and Construction category, which contains little "hardware." For example, six of the nineteen areas accounting for $14.5B of the $17.7B total were:

Construction of Structures & Facilities	($3.8B)
Professional Technical & Management Services	($2.9B)
Maintenance, Repair & Rebuilding of Equipment	($2.4B)
Utilities & Housekeeping Services	($2.1B)
Operations of Goverment Owned Facilities	($1.7B)
Maintenance Repair or Alterations of Real Property	($1.6B)

It is thus evident that the ratio of 3.5% of sales for IR&D/B&P that is associated with the $42B of DOD "hardware" contracts to the 100 largest defense contractors cannot be applied to the $21B sales to DOD by other contractors, and that the allegation derived by this erroneous analysis ("that $735 Million of IR&D may be funded without effective monitoring") is therefore fallacious.

IX. DOD TECHNICAL EVALUATION OF IR&D

The report is critical of DOD's conduct of technical evaluations, and especially of its on-site evaluations which occur once evey three years for most major defense contractors. The point has apparently been missed that these on-site reviews are currently used solely as a sampling check upon the quality of the work being performed. As such, they are held to ensure that a contractor is in fact performing the IR&D work as presented in his annual Technical Plan, and has competent people and adequate facilities appropriate to the work described. These related facts are important considerations here:

(a) The advance-agreement negotiations are based solely upon the ratings accorded by evaluation of the annual Technical Plan. The technical ratings accorded the projects evaluated at an on-site review have no effect upon the dollar ceiling for a company's IR&D program. Historical data clearly shows that on-site reviews of IR&D Projects accord them substantially higher ratings than are received from evaluations made only by reading the related written material. Since DOD claims it's impractical to hold annual on-site reviews of most IR&D projects of every major defense contractor, these are now used primarily as insurance against excessive "brochuremanship." (Were the ratings accorded IR&D projects at an on-site review to prove substantially lower than those received by evaluation of the written material, a more extensive investigation of the validity of the contractor's IR&D program would be initiated.)

(b) Viewed as a sampling-check, the on-site review of 35% of the dollar-value of a contractor's IR&D Program is logical. Review of 35% of the total number of his IR&D projects would compound the problem of securing well-qualified evaluators (for a broader spectrum of technical disciplines) while providing little or no additional validation of the existence of a bona fide IR&D program.

(c) While on-site reviews are held every three years, it is incorrect to assume that the total number of a contractor's IR&D

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projects he performs over this three year period is three times the annual number. (Page 19, "For example, one company does approximately 200 projects per year equalling 600 projects for the three year period. The on-site review only looks at approximately 12 projects for a total examination of only 2 percent of the contractor's IR&D Projects.") Most IR&D projects are, in fact, multi-year continuing projects and usually represent some 60% of the total IR&D program.

(d) Industry does not see the rating sheets of the individual evaluators, neither at an on-site review nor, of course, those prepared by evaluators on the basis of reading the Technical Plan. The qualifications and motivations of the latter class of evaluators, whose judgments determine the technical ratings which have a significant effect on the dollar ceilings negotiated and subsequently received, are a particular matter for industry concern. It is industry's belief that undue emphasis upon relatively small variations in these ratings as an indication of the technical quality of a contractor's IR&D program is unrealistic, represents over-monitoring and goes far beyond the intent of PL 91-441.

SUMMARY

The IR&D/B&P program is well conceived, and well managed by industry. The Commission on Government Procurement has recognized, in cost allowability principles, that IR&D/B&P expenditures are in the nation's best interest and should be recognized as necessary costs of doing business.

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